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$ALES GIANTS

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER
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The 10 highest volume franchises for each of America's 10 traditional domestic divisions sold some 700,000 new and used vehicles worth more than $7 billion last year and registered total dealership revenues in excess of $9 billion.

In fact, those 100 big deals that span the country — from big cities to small towns, from coast to coast — sold a total of 579,631 new cars and trucks last year.

To put that in perspective, those 100 sales giants — representing just one-quarter of one percent of the country's 36,298 Big 4 franchises — sold 5.14 percent of the 11,278,327 new cars and trucks sold by the Big 4 in the United States in 1986.

For decades, automakers have generally declined to provide their own listings of — or even answer questions about — which dealers move the most iron.

But Automotive News has compiled what is believed to be the first comprehensive list of the 10 highest-volume franchises for each of the Big 4's 10 traditional divisions — the 100 Automotive News Sales Giants.

It is the first division-by-division ranking of the largest individual domestic franchises based on unit sales — the result of 10 months of research plus hundreds of dealer interviews by Automotive News reporters.

The dealer principals at the highest-volume domestic franchises in 1986, based on total new deliveries, fleet and retail, were: **AMC,** Michael W. Lowe, Jasper Jeep Sales, Jasper, Ga.; **Buick,** Sonny King, Orange Buick, Orlando, Fla.; **Cadillac,** Edward J. Morse, Bayview Cadillac, Fort Lauderdale, Fla.; **Chevrolet,** Bill Wink, Bill Wink Chevrolet, Dearborn, Mich.; **Chrysler-Plymouth,** John Fitzgerald Jr., Lake Forest Chrysler-Plymouth, Gaithersburg, Md.; **Dodge,** Luke Potter, Luke Potter Dodge, Winter Park, Fla.; **Ford,** Jordan Kapson, Kapson Ford, Mishawaka, Ind.; **Lincoln-Mercury,** Bob Borst, Central Florida Motors, Orlando, Fla.; **Oldsmobile,** Mark Rosenstock Jr., Dale Oldsmobile, Bronx, N.Y.; and **Pontiac,** James Moran, J.M. Pontiac, Hollywood, Fla.

see SALES GIANTS, page 38

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

The old . . . and the new

McDonald: 'Nice guy' with quality as passion

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — On each of his many visits to General Motors plants, President F. James McDonald preached the sermon on quality.

Quality became the theme of McDonald's career, particularly during his six years as GM's chief operating officer. McDonald closes his 47 years with GM as he retires today.

Colleagues say the quest for quality was a long, hard and often disappointing struggle for McDonald. And it was complicated by his strong sense of compassion for GM workers. Having risen through GM's manufacturing ranks, McDonald was as comfortable among the union folks in plants as he was among executives on the 14th floor of the General Motors Building. He didn't hesitate to talk tough to workers about paying attention to details.

Those who worked with him invariably refer to McDonald as a "nice guy." Some colleagues say McDonald may have been too nice.

Some say he may not have been forceful enough with workers to complete the quality job. Others say McDonald's compassion for plant workers caused GM to postpone too long the closing of several assembly and component plants.

GM began to subscribe to the religion of quality during McDonald's tenure, as its products improved in the face of worldwide competition. Yet, McDonald readily admits that he is departing before the quality job is entirely done. He points to the Chevrolet Corsica

see McDONALD, page 58

Stempel: Product man in tune with customers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will spend more on developing new products in the next five years than it ever has and, appropriately, the man who takes over as president this week is acclaimed as first-class in product knowledge.

Robert Stempel, in his first interview since being named president in May, says he considers himself a product guy, concerned with the nuts and bolts. Being a product guy, he says, means looking through the customer's eyes.

"He wants it to start in the morning, he wants it to run, he wants it to be comfortable," Stempel says. It has to be crash-worthy, comfortable, able to carry fishing and hunting gear or luggage for vacation.

"And he never wants to go back to the dealership."

That point was driven home in Stempel's first job, in a service garage.

"That's where you find out what a customer really wants in a car," he says. "It's amazing how quickly the bloom comes off the shape and how much the chrome doesn't have to shine any more. He just wants it to work."

That's not to say styling isn't important. Most customers buy because of a car's appearance, Stempel says. "It's got to be exciting, and it had better be a grabber."

Stempel is an engineer by education. After graduation from Worcester (Mass.) Polytechnic Institute in 1955, he joined Oldsmobile, where he worked in vari-

see STEMPEL, page 58

GM may hold line or cut some prices

By Michelis Krebs, Jesse Snyder and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors is expected to hold the line with most of its 1988-model prices. New groupings of options may result in lower prices to buyers of some models.

Prices are expected to be announced in mid-September, before the start of the 1988 model year on Oct. 1.

The pricing action likely will include lower figures for option packages on specific models. It is a scheme that has worked well for Chrysler Motors; last week Chrysler expanded its successful America packaging program from the subcompact Omni/Horizon to its compact-sized K-cars, Dodge Aries and Plymouth Reliant, with resulting price cuts of more than $1,300.

But GM also will offer stripped-down versions of some models.

Chevrolet, for example, will offer price-leader models on its four small cars and the compact S-10 pickup truck in 1988, said Thomas Staudt, general marketing manager.

Buick may adopt an America-like packaging that will cut Skyhawk prices and is considering similar packages for all its models if the Skyhawk experiment is successful. Such across-the-board packaging could trim as much as $300 from Buick prices, according to a GM source.

GM dealers have been told not to pre-sell some 1988 models, some of which are now being delivered to showrooms, until Sept. 15. Typically, dealers are allowed to pre-sell 1988 models that have not been changed much from the previous year.

That restriction leads dealers to believe that a major pricing action will be announced around Sept. 15,

see PRICES, page 60

First peek at Saturn HIDDEN IMAGE/RON LIEBERSON

First undisguised photos of General Motors' 1991 Saturn car show a subcompact with Corsica/Beretta styling cues and a Firebird-like sloping nose. GM considered a new aluminum 1.9-liter, long-stroke four-cylinder engine but is believed to now favor an existing powerplant. In addition to the sedans photographed on an Arizona test track last week, a three-door hatchback with sloping, rounded rear end, is planned.

Strikes raise questions about Korea, Mexico — Page 2

NADA criticizes Jeep-Eagle franchise — Page 3

Dodge Daytona Shelby joins cars for Europe — Page 62

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NADA slaps Jeep-Eagle dealer pact

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association has asked Chrysler Motors to eliminate language from its Jeep-Eagle franchise agreement that mandates binding arbitration in any dispute between the manufacturer and dealers.

NADA also was sharply critical of a provision that would allow a consumer satisfaction index (CSI) to be used to terminate dealers who perform below specified standards for a prolonged period.

And those changes in the Jeep-Eagle agreement could eventually find their way into the franchise agreements of Chrysler Motors dealers. Although a memo written by H.G. Savoy, Chrysler Motors dealer operations services manager, and provided by NADA indicated that Chrysler will not ask existing Chrysler-Plymouth and Dodge dealers to sign a similar new agreement, it will form the basis of new agreements.

Savoy said the new agreement will be used when re-signing Chrysler-Plymouth and Dodge dealers due to open points, stock transfers and dealership sales.

"Our long-term objective is to have all Chrysler Motors Corp. dealers on a uniform agreement with consistent terms and provisions," Savoy's memo said.

An NADA legal analysis of the Jeep-Eagle dealer agreement cites several unique provisions. However, the issue that most offends the dealer group is the requirement that all disputes be resolved by binding arbitration, including establishment of new dealer points, relocations and terminations.

NADA said the provision circumvents state franchise laws and the protection they give dealers.

The agreement also establishes a customer satisfaction index requirement. If the dealer does not maintain a CSI equal to or greater than the average CSI rating for the dealer's sales level group, as determined by the company, for four successive calendar quarters, this will constitute good cause for termination of the dealer.

"It appears that at any given time, one-half of all dealers will be below the average CSI rating for their sales level group," NADA said.

NADA Executive Vice President Frank E. McCarthy said NADA is also discussing with General Motors' Saturn Corp. its proposed franchise agreement.

"The draft agreement of the Sa-

see NADA, page 62

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Ford negiotiator Surma, left, and Savoie, Ford director of employee involvement

UAW picking target

2nd GM offer rejected; Ford makes bid

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — As the expiration of United Auto Workers contracts at General Motors and Ford approaches, the negotiating paths at both companies and at the Big 3 in Canada are winding toward the selection of strike targets.

The contracts in both countries expire Sept. 14.

At a meeting this morning, the UAW GM and Ford councils and their bargaining committees are scheduled to discuss proposals the companies made last week. The bargaining committees, headed by Vice Presidents Donald Ephlin (GM) and Stephen Yokich (Ford), and the councils are made up of local union officers.

The UAW international executive board is also scheduled to meet today and will likely select a strike target — or dual targets — based on input from the councils.

After presenting GM's second proposal to the union last Friday, Alfred Warren, GM's top negotiator, said he had "no feel for Monday's decision. It seems to be the most difficult guess I've ever seen."

The Canadian Auto Workers

UAW Vice President Yokich

union will probably pick a strike target this week — most likely a different company than the one chosen in the United States.

If dual targets are selected in the United States, it is likely that one company will eventually be put on the back burner, as was Ford in 1984. Bargaining with one target company will step up and continue to conclusion.

If a contract is not reached by

see UAW, page 61

GM looks at Opel, Aussie car for U.S.

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is considering exporting to the United States an automobile from its Holden subsidiary in Australia.

The car is believed to be the Holden Commodore, which is scheduled for replacement in the final quarter of 1988.

GM also is once again seriously considering U.S. import for its West German Opel Omega and Senator — the cars that are understood to form the basis of the new Commodore.

The Opels likely would be sold through a franchise system separate from GM's present five divisions.

Robert Stempel, who takes over the job as GM president Tuesday, said importing Opels is under "active discussion."

Importation of Opels has been under consideration for years. There has been speculation that Cadillac would sell an Opel as its entry-level luxury offering, but Cadillac General Manager John Grettenberger said an Opel will not replace Cimarron at the bottom of the luxury division's lineup (Automotive News, Aug. 24).

Discussions also had been held with Porsche and Isuzu about selling Opels through their networks.

Stempel's background may give Opel a good chance of coming to the United States. He headed Adam Opel AG from 1980 to 1982, and counts Opel cars among his favorite automobiles. In addition, GM's overseas operations reported directly to Stempel in his job as executive vice president and continue to report to him as president.

Opel officials have been anxious to ship the cars to the United States. Opel is capacity-constrained, but Stempel said he is confident that if Opel gets the green light to export, it will add capacity.

Omega, currently at the top of Opel's line, was introduced last year and became the Car of the Year in Europe. The Senator, a lengthened, more luxurious derivative of the Omega, will be introduced at September's Frankfurt auto show.

"The Omega and Senator are both very fine road cars," Stempel said. "We keep looking at the currency situation — between the deutschemark and the U.S. dollar. I think they'd be very attractive at any price."

The Omega sells for $20,000 and up in West Germany; the Senator costs between $25,000 and $33,000.

Stempel said that while a decision to import the Opels has not yet been made, the cars probably will not be sold through existing GM divisions if they are imported.

He did not say if GM would establish a separate franchise network as Ford did with its Merkur division. He also would not say if selling imports through the Saturn network is being considered.

Stempel described the car from Australia as a very big and powerful car that "might be interesting in this country."

The current Holden Commodore VL is based on the design of the old Opel Commodore. It is powered by a Nissan straight-six-cylinder engine. Australian observers expect the new generation Commodore to be derived from the latest Opel Omega.

Subaru of America buys another distributor

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Denver-based Subaru Inter-Mountain was sold to Subaru of America for a sum "in excess of $10 million" last week — the third independent distributor acquired by the Subaru importer in as many months.

The development came only three weeks after an unsuccessful legal challenge by Subaru Inter-Mountain, which tried to halt the shipment of 1,700 1987 models from Subaru of America. The buyout had been predicted in Subaru Inter-Mountain's lawsuit against Subaru of America.

It also came as Subaru of America reported a third quarter loss of nearly $50 million in comparison with a profit of more than $25 million in the same period last year.

In seeking an injunction to stop the shipment, Subaru Inter-Mountain said it already had a five-month supply of vehicles. It had more cars on hand than it sold to customers in its five-state region during the first six months of 1987.

The lawsuit, which was withdrawn after a Colorado judge refused to grant an injunction barring the delivery, accused Subaru of America of trying to force it and three other independents out of business by flooding them with product and then seeking a buyout at "distress" prices. Joining Subaru Inter-Mountain in the action were Subaru New England, Subaru South and Subaru Mid-America.

"The owners felt it was in the best interest to let it go if Subaru wanted it that bad," Archie Buddin, chief executive of Subaru Inter-Mountain, said. The two principal owners are Charles Thomas, a Houston car dealer, and B.J. "Red" McCombs, a Denver car dealer.

Subaru Inter-Mountain's filing for the injunction maintained, "If Subaru Inter-Mountain is required to accept and pay for the additional 1,700 1987 models in issue, Subaru Inter-Mountain and its dealers will have over a seven-month supply. Such over-supply cannot be sold without rendering Subaru Inter-Mountain insolvent and unable to function as a going concern."

The document said that the net worth of Subaru Inter-Mountain in 1987 decreased from $8.5 million to $5.5 million as a result of losses through June 1987.

Subaru Inter-Mountain said in its suit that it had annual sales of $100 million through its 55 dealers in Colorado, Kansas, Nebraska, Arizona, New Mexico and parts of Missouri. Last year, the independent distributor sold 11,457 cars.

The Subaru of America spokesman said the charges of flooding distributors with cars were unfounded and maintained that the cars were ordered by the distributors.

Subaru Inter-Mountain said Subaru based its shipments on a preliminary estimate given in January 1987 by its general manager, Joe Nunnery, that the distributor could sell 13,200 cars. The petition said, "Nunnery understood that the number he gave was not binding." Subaru of America maintained that it was.

Further, Subaru of America said that under a clause in the distribution agreement, Subaru Inter-Mountain was subject to an annual, automatic 15 percent increase in allocation each year unless the vehicles could not be delivered because of Japan's voluntary restraint agreement on auto exports.

While Subaru of America has been making more cars available to Subaru Inter-Mountain, the distributor said that sales actually dropped 15 percent this year. It said that the back-up of vehicles has caused the company to draw on $6 million of its $28 million letter of credit with Subaru last April to pay for cars it was receiving.

Subaru Inter-Mountain revealed that Subaru threatened to terminate the distributorship if the letter was not restored within 48 hours. Subaru Inter-Mountain said that following this incident, Subaru of America required the distributor to increase its outstanding guarantees to nearly $69 million.

Subaru Inter-Mountain maintained that if it accepted the 1,700 cars it would be forced to draw on its letter of credit again and risk termination.

The general decline in Subaru sales also has resulted in losses by Subaru of America. In the third quarter, the company reported losing $49.8 million, or $1.03 per share, on sales of $378.3 million.

Last year, for the same three-month period, the company had a net income of $25.4 million and sales of $517.6 million.

The company also reported a nine-month loss, ending July 31, of $15.1 million, or 31 cents per common share compared with a net income of $72.3 million for the same period in 1986. Sales for the 1987 period were $1.41 billion compared with $1.47 billion in 1986.

Subaru of America attributed the third quarter losses to various sales incentives, including up to $1,500 in cash rebates on certain models, and to higher product costs due to the decline of the dollar against the Japanese yen.

Subaru of America officials also were quoted as saying the company also expects a loss in its fourth quarter, meaning it will end the fiscal year Oct. 31 in the red, and that if sales do not improve Subaru of America might ask for a reduction in its import allocation to the United States.

Subaru of America did not attribute any of its loss to the acquisition of the three independent distributors — Subaru Inter-Mountain, Great Lakes Subaru (acquired two weeks ago) and Subaru Northwest (acquired in June). Each of the transactions was described as being in excess of $10 million.

Subaru of America now owns 8 of 13 regional distributors and controls about 50 percent of its nearly $2 billion annual sales.

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TRUCK INDUSTRY

July truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	68,305						68,305	46,196
	YR	422,025						422,025	332,362
JEEP	MO	16,513						16,513	16,069
	YR	118,037						118,037	109,066
TOYOTA	MO	30,873						30,873	54,350
	YR	185,633						185,633	233,905
NISSAN	MO	14,862						14,862	20,300
	YR	130,355						130,355	130,325
MAZDA	MO	11,433						11,433	12,257
	YR	71,956						71,956	86,849
ISUZU	MO	7,756						7,756	7,181
	YR	53,362						53,362	48,916
MITSUBISHI	MO	4,478						4,478	2,303
	YR	29,966						29,966	18,501
SUZUKI*	MO	8,000						8,000	4,392
	YR	53,262						53,262	24,941
SUBARU	MO	55						55	462
	YR	1,052						1,052	1,974
RANGE ROVER	MO	307						307	0
	YR	1,029						1,029	0
FORD	MO	123,806			1,054	3,055	1,326	129,241	117,683
	YR	833,736			6,113	18,144	7,511	865,504	796,532
FREIGHTLINER	MO						2,115	2,115	1,012
	YR						13,017	13,017	9,885
CHEVROLET	MO	109,259		24	749	678	22	110,732	99,069
	YR	687,676		121	4,429	4,254	200	696,680	743,517
GMC	MO	27,605		284	834	1,321	552	30,596	31,484
	YR	180,042		3,433	4,599	13,859	5,064	206,997	208,420
KENWORTH	MO					8	1,437	1,445	874
	YR					52	8,040	8,092	5,703
MACK	MO				165	186	1,720	2,071	1,820
	YR				1,522	1,758	11,086	14,366	13,025
MERCEDES	MO				135	172		307	273
	YR				878	1,351		2,229	2,122
NAVISTAR	MO		28	45	1,024	2,749	2,130	5,976	6,307
	YR		69	221	5,844	18,322	16,559	41,015	40,153
PETERBILT	MO					14	1,264	1,278	846
	YR					41	6,471	6,512	5,388
VOLVO	MO					161	825	986	1,067
	YR					967	6,117	7,084	7,130
HINO	MO			32	27	51		110	0
	YR			273	274	536		1,083	0
NISSAN DIESEL	MO			79	21	76		176	0
	YR			308	173	477		958	0
ISUZU TRUCK	MO	596		17	39			652	342
	YR	3,131		91	173			3,395	2,861
MITSUBISHI FUSO	MO	88			31	109		228	0
	YR	371			105	266		742	0
SCANIA	MO						19	19	0
	YR						91	91	0
IVECO TRUCKS	MO	86	51	54	14			205	0
	YR	738	369	417	73			1,597	0
WESTERN STAR	MO						100	100	0
	YR						776	776	0
OTHER DOMESTICS	MO				13		119	132	72
	YR				81		662	743	698
GRAND TOTAL	MO	424,022	79	535	4,106	8,580	11,629	448,951	424,359
	YR	2,772,371	438	4,864	24,264	60,027	75,594	2,937,558	2,822,273
1986 YR to DATE		2,667,863	0	2,662	25,768	59,672	66,308		

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.
*Estimate

Navistar profits show huge rise for quarter

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Navistar International Corp. had a sixfold increase in net income for its fiscal third quarter ended July 31.

The company reported net income of $31 million on sales of $791.1 million in the third quarter, up from net income of $5 million on sales of $762.5 million in the 1986 period.

For the first nine months, the company's sales were $2.53 billion compared with $2.43 billion in 1986.

The company reported a net loss of $21 million for the first nine months of 1987, compared with net earnings of $52 million in the first nine months of 1986.

A one-time extraordinary charge of $113 million for redemption before maturity of four high-coupon debt issues contributed to the loss.

Excluding that loss, Navistar's income for the first three quarters was $92 million, an improvement of 77 percent over last year's first nine months.

James C. Cotting, Navistar chairman and chief executive officer, credited the third-quarter results to lower interest costs, higher shipments of heavy trucks and diesel engines and improved operating margins in the company's truck operations.

Navistar cut its third-quarter interest expense by $23 million from a year ago after getting the full quarterly impact of high-coupon debt redemption.

"Trends in production are up because of (more) intercity trade freight hauling as evidenced by higher volume of goods," Cotting said.

At a press conference here, he also cited a higher gross profit margin and cost reductions as contributors to the company's earnings.

"We kept tight control on marketing and administrative expenses," Cotting said.

Asked about plans for acquisitions, Cotting said, "We want to broaden our base of business over a 5- to 10-year period."

He mentioned that "something with truck and engine operations" was a likely possibility because that is the company's business, adding, "We are interested in an acquisition if we can earn a return on it."

He also said "strategic alliances" are important. Cotting mentioned product cooperation with Dana Corp. and the import agreement with Nissan to sell Low Forward Entry (LFE) products. When asked about joint ventures, he answered, "Joint investments could make sense here and outside the United States."

Cotting predicted that North American demand for heavy trucks will increase 10 percent to about 136,000 units for the 12 months ending Oct. 31 (Navistar's fiscal year). He estimated that medium-truck sales will rise to 179,000 from last year's 177,000.

Shipments of International medium and heavy trucks and diesel engines during the third quarter were up 4.0 percent over the same period in 1986.

Heavy-truck shipments increased 6.0 percent over the third quarter last year, while medium-truck shipments declined slightly.

Diesel engine shipments to original-equipment-manufacturer customers were up 11 percent over the comparable period in 1986.

Navistar's order backlog of 12,043 heavy trucks at the end of the quarter was 60 percent higher than a year ago and 29 percent above this year's second quarter.

Backlog orders mainly were for three models introduced in May: The International 8300 conventional tractor, 9700 premium cabover tractor and 9300 Series of premium conventional tractors.

Carrier income dips

Expenses outpace increase in revenues

ALEXANDRIA, Va. — Motor carrier revenue in the first quarter of 1987 was off 3.2 percent from the 1986 period, according to a survey by the Regular Common Carrier Conference.

Generally speaking, revenues went up 2.5 percent; but expenses went up nearly twice as much, increasing 4.9 percent, the survey found.

The Regular Common Carrier Conference surveyed 108 common carriers of general freight for its findings, with 14 percent fewer responding this year than in the first quarter of 1986.

Russell B. Capelle Jr., director of the survey, said the lower number of reporting carriers was largely a reflection of their inability to meet the deadline for responding to the survey rather than their having gone out of business.

The survey found that total tonnage shipped by reporting carriers was off 7.7 percent from the first quarter of last year. Operating income, as a percent of revenue, dropped to 2.1 percent from 3.9 percent in the first quarter of 1986. After-tax net income fell to 0.7 percent from 2.0 percent in 1986.

For the largest carriers in the sample — those with more than $100 million in 1986 annual revenues — expenses increased twice as fast as revenues, and operating income per ton was cut almost in half in the first quarter of this year compared with a year ago.

The overall ratio of expenses to revenues for the largest carriers increased to 97.4 from 94.9 last year.

During the first quarter of 1987, surveyed carriers had expenses of $2.88 billion, down from $2.92 billion in 1986. However, the decline in expenses reflected the fact that only 108 carriers responded to the survey this year compared to 126 in 1986.

Overall carrier revenues of $2.94 billion during the period were off from $3.04 billion in the same period of 1986.

The conference attributed the poor first-quarter results to depressed revenues resulting from continued rate discounting generated by extreme competition in a shrinking market and to sharply higher expenses, particularly for fuel and labor.

New Skoda for U.S.?

By Knut Moberg

Interest in the new Skoda sedan to be introduced at the Brno trade fair in Czechoslovakia is increasing, especially in markets outside the Iron Curtain.

Exports are planned for Canada, and discussions on shipments to the U.S. have started. Sources in Czechoslovakia say they are expected to be handled by import companies currently established in the U.S.

Shipments to North America will likely start when the Automobilove Zavody Narodni Podnik factory in Czechoslovakia reaches production capacity.

Exports will have a high priority, because the Skoda factory needs all the hard currency it can get to pay foreign suppliers and consultants who helped design the new car.

Export plans for North America are at a point where inquiries have been sent to shippers for possible delivery of small numbers of cars starting next year.

Officials of the Skoda factory in Mlada Boleslav and the Motokov export company have been studying the progress of the Yugoslavian-built Yugo in the U.S.

Since Skoda is based on a new front-wheel-drive design, it is unlikely to be price-competitive with the less-advanced, rear-wheel-drive, $3,990 Yugo.

Jimdra Nevrla, Motokov export manager, is unwilling to give more information about the new car, which is in the Volkswagen Golf class. The wraps will be kept on until the Brno fair, which opens Sept. 12, during the Frankfurt auto show in West Germany. The car will not be shown at Frankfurt.

The Skoda isn't ready for production, which starts later this year. Then it will take time for production to reach sufficient volume for exports to begin, although importers and dealers in Western Europe have been told limited deliveries will start in 1988.

Italian firm Carrozzeria Bertone S.p.A. designed the exterior and interior of the new sedan. Porsche System, of West Germany, handled engineering and testing.

Output of the old rear-wheel-drive Skoda will continue, but at a reduced rate as the new model moves into production.

The new model doesn't have a name yet. An auto magazine in Czechoslovakia has asked readers to suggest one, although the car may get different names in various export markets. ■

Currency crisis keeps Nigerian M-B truck assembler waiting and hoping

By Peter Ezeh

ENUGU, Nigeria — Nigeria's local Mercedes-Benz truck manufacturer had to suspend production temporarily here and reduce working hours by more than 50 percent early this month.

The events raised doubts about an early improvement in the slump the company has been suffering during the past four years.

Officials of Anambra Motor Manufacturing Co. (Anammco), said none of the 700 workers, out of an initial 1,200, would be dismissed outright, following two previous employment reductions in three years. No date was given for a return to full production.

Anammco's West German partner, Daimler-Benz AG, holds 40 percent of the company, worth 60 million naira ($15 million). Nigeria's federal government is the second-biggest shareholder with 35 percent. The remainder is held by state governments and private investors.

Anammco occupies an imposing 984,000-square-foot site in this industrial suburb, the capital of Nigeria's southeastern state of Anambra. It is one of the largest auto factories in Africa, south of the Sahara. It was officially opened July 3, 1980, by former president Shehu Shagari.

Production began in 1981 with Mercedes-Benz L-911 trucks. They are popular among transport operators who need dependable trucks, and companies that operate passenger-carrying vehicles known locally as "mammy wagons."

Business boomed at the start. In less than two years, Anammco produced 10,000 Mercedes trucks. In October 1983 it installed an annual production capacity of 7,500 trucks on one shift, and opened a spare parts depot.

Initial business successes encouraged company managers to plan production of the prestigious Mercedes-Benz sedan. But car production never got off the ground, although small volumes of four-wheel-drive vehicles and 24- and 32-seat buses were built, in addition to trucks.

"Out of five commercial vehicles above five-tons payload sold in Nigeria today," notes company public relations officer Eugene Madu, "more than two are Mercedes-Benz units originating from Anammco."

Like other auto factories here, Anammco is basically an assembly operation. Components are imported and put together for the local market.

Since introduction of the quasi-free foreign exchange market with less official control, the value of the local naira currency has fallen drastically, seriously depleting the capital of most manufacturers — including major ones such as Anammco.

The situation was worse during the previous military administration of General Buhari (1983-'84), when the government introduced a series of tough protectionist measures to try to discourage imports. Anammco dismissed more than 500 of its 1,200 workers at that time.

Madu says there is no plan for outright dismissal of workers at the present time. He says the latest move was taken to enable the company to wait for the foreign exchange crisis to improve. How soon that happens is anybody's guess. ■

OVERSEAS REGISTRATIONS

UNITED KINGDOM
Cars

	7 mos 1987	7 mos 1986
BMW	19,915	19,259
Daihatsu	2,957	2,858
Fiat Auto	37,694	35,212
Fiat	35,237	32,528
Lancia	1,657	1,524
Alfa Romeo	800	1,160
Ford	306,319	272,972
FSO	2,444	2,721
GM-Vauxhall	145,695	161,512
Honda	10,939	10,152
Hyundai	3,912	3,420
Isuzu	1,164	86
Jaguar	6,063	4,025
Lada	11,972	9,899
Lotus	234	236
Mazda	8,618	9,586
Mercedes-Benz	11,567	10,259
Mitsubishi	6,032	6,335
Nissan	52,958	53,192
Panther	74	22
Peugeot SA	70,227	62,488
Citroen	21,934	17,724
Peugeot Talbot	48,293	44,764
Reliant	103	178
Renault	42,871	37,135
Rolls-Royce	484	447
Rover Group	165,509	167,431
Austin Rover	162,981	165,111
Range Rover	2,528	2,320
Saab	5,504	5,396
Skoda	6,999	6,487
Subaru	2,281	1,682
Suzuki	2,433	2,415
Toyota	18,756	18,241
VW-Audi	63,795	64,759
Volvo	59,722	61,823
Zastava	4,073	2,936
Others	2,014	2,608
Total	1,052,386	1,012,465

SWEDEN
Cars

	6 mos 1987	6 mos 1986
BMW	2,982	2,528
Bertone	2	12
Chrysler	5	0
Daihatsu	843	4,181
Fiat Auto	4,661	2,170
Fiat	3,046	2,170
Lancia	952	1,375
Alfa Romeo	663	636
Ford	18,162	14,797
GM-Opel	16,776	12,745
Honda	2,021	2,204
Isuzu	65	0
Jaguar	58	22
Lada	1,258	864
Mazda	654	694
Mercedes-Benz	4,286	4,053
Mitsubishi	1,719	1,097
Nissan	8,347	7,419
Peugeot SA	5,472	3,417
Citroen	2,108	1,475
Peugeot Talbot	3,364	1,942
Porsche	266	301
Renault	2,140	1,786
Rolls-Royce	8	2
Rover Group	6	0
Saab	15,098	14,618
Skoda	48	84
Subaru	878	730
Suzuki	922	480
Toyota	11,561	7,272
VW Group	19,990	16,429
Volkswagen	12,708	10,619
Audi	7,282	5,810
Volvo	40,477	33,566
Others	99	45
Total	163,544	134,083

NORWAY
Cars

	5 mos 1987	5 mos 1986
BMW	906	2,475
Daihatsu	311	1,000
Dodge	23	7
Fiat Auto	2,423	2,862
Fiat	2,172	2,585
Lancia	204	179
Alfa Romeo	47	98
Ford	7,820	12,515
GM-Opel	5,653	10,680
Honda	1,327	2,679
Jaguar	21	21
Jeep	5	3
Lada	845	1,200
Maserati	8	3
Mazda	4,062	7,517
Mercedes-Benz	1,905	1,163
Mitsubishi	2,347	3,287
Nissan	3,164	5,487
Peugeot SA	3,138	4,300
Citroen	1,351	1,462
Peugeot Talbot	1,787	2,838
Porsche	9	15
Renault	393	524
Rover Group	3	2
Saab	816	1,553
Skoda	153	155
Subaru	1,283	2,643
Suzuki	381	387
Toyota	6,791	9,680
VW-Audi	5,031	8,553
Volvo	4,215	7,035
Total	52,204	85,582

AUSTRIA
Cars

	5 mos 1987	5 mos 1986
BMW	2,582	3,061
Daihatsu	762	536
Fiat Auto	7,273	8,705
Fiat Lancia	6,335	7,635
Alfa Romeo	938	1,070
Ford	10,474	11,063
GM-Opel	13,202	14,562
Honda	2,171	2,434
Jaguar	65	47
Lada	666	607
Mazda	9,320	9,505
Mercedes-Benz	4,038	4,202
Mitsubishi	3,159	2,401
Nissan	4,866	4,196
Peugeot SA	7,262	7,190
Citroen	3,270	2,741
Peugeot Talbot	3,992	4,449
Porsche	146	225
Renault	5,286	5,486
Rover Group	85	104
Saab	124	177
Skoda	362	409
Subaru	1,670	1,780
Suzuki	881	718
Toyota	7,037	6,886
VW Group	19,716	22,747
Volkswagen	15,904	18,313
Audi	3,214	3,779
Seat	598	655
Volvo	1,215	1,547
Others	31	36
Total	103,742	109,875

ITALY (SALES)
Cars

	5 mos 1987	5 mos 1986
ARO	1,214	1,026
BMW	8,885	9,556
Chrysler	7	9
Daihatsu	32	51
DeTomaso	7,799	7,543
Maserati	1,663	1,494
Innocenti	6,136	6,049
Fiat Auto	563,036	526,589
Fiat	414,003	389,606
Lancia/ Autobianchi	92,730	78,710
Alfa Romeo	55,861	57,961
Ferrari	442	312
Ford	37,812	33,309
GM-Opel	29,787	30,068
Honda	25	108
Hyundai	950	519
Isuzu	41	0
Jaguar	295	153
Jeep	0	357
Lada	499	328
Mazda	4	19
Mercedes-Benz	11,704	8,924
Mitsubishi	153	194
Nissan	12	2
Peugeot SA	69,044	62,456
Citroen	32,338	32,089
Peugeot Talbot	36,706	30,367
Porsche	399	357
Renault	75,128	71,578
Rolls-Royce	13	15
Rover Group	11,863	12,341
Saab	1,893	1,715
Skoda	774	707
Subaru	152	56
Suzuki	4,539	1,309
Toyota	0	251
UAZ	433	330
UMM	0	29
VW Group	109,715	89,929
Volkswagen	70,360	62,838
Audi	9,771	6,605
Seat	29,584	20,486
Volvo	7,913	8,278
Others	250	1,000
Total	945,042	896,106

BRAZIL (SALES)
Cars, light commercial vehicles

	7 mos 1987	7 mos 1986
Agrale	730	876
Engesa	391	189
Fiat	38,476	61,455
Ford	75,049	110,393
General Motors	79,970	126,641
Gurgel	1,086	199
Mercedes-Benz	18,794	20,432
Saab-Scania	2,298	2,863
Santa Matilde	17	89
Toyota	1,958	2,052
Volkswagen	109,484	206,216
Volvo	989	1,596
Total	329,242	532,909

PRODUCTION

FRANCE
Cars

	5 mos 1987	5 mos 1986
Peugeot SA	704,660	635,602
Citroen	287,393	232,665
Peugeot Talbot	417,267	402,937
Renault	619,754	522,711
Total	1,324,414	1,158,313

Vans, trucks, buses

CBM	0	25
Heuliez	98	64
Iveco-Unic	29	45
Peugeot SA	72,382	70,859
Citroen	30,611	33,958
Peugeot Talbot	41,771	36,901
Renault/TVI	118,649	117,006
Sovam	34	32
Total	191,192	188,031
Total vehicles	1,515,606	1,346,344

$ALES GIANTS

continued from page 1

Among the largest of the large — the 10 highest-volume franchises regardless of make — there were four Chevrolet dealerships, three Ford dealerships, two Pontiac dealerships and a lone Oldsmobile dealership.

However, that sole Oldsmobile franchise, Dale Oldsmobile, Bronx, N.Y., was the highest-volume domestic franchise in the United States last year; it was the biggest of the big deals.

Those 10 biggest deals also ranked high on the list of big dealers with big fleet sales. They are scattered across the United States from New York to Florida, through the Midwest into Texas and on to California.

Although the 100 individual franchises ranked in the Automotive News Sales Giants have common denominators, there are differences.

Nine dealers have two franchises that made the Sales Giants 100. Two of those nine dealers had their two ranking franchises in the same dealership: Arnold Palmer Motors, Latrobe, Pa., with the sixth-largest Oldsmobile franchise and the fourth-largest Pontiac franchise; and Polkowitz Motors, Perth Amboy, N.J., with the ninth-largest Buick franchise and the third-largest Cadillac franchise.

No dealer had two No. 1 dealerships. However, one dealer claimed a first place and a second.

John Fitzgerald Jr. had the largest Chrysler-Plymouth franchise, Lake Forest Chrysler-Plymouth, Gaithersburg, Md., and the second-largest Dodge franchise, Colonial Dodge, Kensington, Md.

And Edward Morse had the largest Cadillac franchise, Bayview Cadillac, Fort Lauderdale, Fla., and is the financial backer of the second-largest Chevrolet franchise, Ed Morse Chevrolet, Lauderhill, Fla., operated by his son, Edward J. Morse Jr.

Sixty of the Automotive News Sales Giants were single-line dealerships; the other 40 were dualed.

Seventy-eight of the top franchises were in the eastern half of the United States.

Ninty-nine of the franchises were in dealerships owned or operated by men; Maria Smith, owner of Town & Country AMC-Jeep-Renault, Seattle, was the only woman among the Automotive News Sales Giants. Her dealership was ranked eighth in sales for AMC-Jeep-Renault.

DOLLAR $ALES

Rank	Dealership	Location	1986 Sales (in millions)
1	Dale Oldsmobile	Bronx, N.Y.	$379.07
2	Bill Wink Chevrolet	Dearborn, Mich.	223.97
3	Stephen World of Wheels	Bristol, Conn.	218.28
4	Jordan Ford	Mishawaka, Ind.	213.00
5	Jim Johnson Chevrolet	Richardson, Tex.	204.00
6	Prospect Motors	Jackson, Calif.	200.45
7	Santa Monica Ford	Santa Monica, Calif.	198.93
8	Arnold Palmer Motors	Latrobe, Penn.	195.00*
9	Potamkin Cadillac	New York City, N.Y.	178.26
10	Jim Lupient Oldsmobile	Golden Valley, Minn.	165.59

*Estimated

Many of the dealers in the top 100 were heavy fleet sellers, but 14 of the franchises reported no fleet or daily-rental sales at all.

One dealership, Sewell Village Cadillac-Sterling, Dallas, reported that it has been in business for 76 years. It is the No. 6 volume Cadillac store.

In exactly the opposite position, 1986 was the first full year that Hanley Dawson III operated Patrick Pontiac-GMC, Libertyville, Ill., the sixth-largest Pontiac franchise.

Three other dealers held one Automotive News Sales Giants franchise for just two years, but in each case the dealer had another big franchise on the list.

The various marketing divisions, despite their protestations about the importance of various customer satisfaction indices and the de-emphasis of sheer volume, still internally rank dealers by the number of cars and trucks they sell.

Size, volume and profitability are important even in these days of megadealers and "portfolios" of franchises. But profitability may be the ultimate list to head.

"Some guys get a big kick out of saying that they are the biggest dealer, but the bright ones say, 'I made the most money no matter what the volume,' " said Raphael Cohen, a one-time Chrysler dealer and long-time dealer advocate.

American Motors

American Motors' 10 largest-volume dealers say success is a four-letter word spelled J-E-E-P.

Strong demand for the popular four-wheel-drive Jeeps, along with locations near high-growth and large metropolitan areas helped boost sales and service performances of AMC's top 10 in 1986.

While many of the leading General Motors, Ford and Chrysler dealers are dualed with outside makes, all of AMC's top performers handle only AMC-Jeep-Renault products. Michael W. Lowe, owner of Jasper (Ga.) Jeep Sales, the top-volume AMC dealership in 1986, said exclusivity has given him a marketing advantage among 4wd enthusiasts.

"We're considered Jeep specialists in this area, and we have the knowledge of the four-wheel-drive product," Lowe said.

AMC's top 10 dealers are retail-oriented: Only half reported any fleet or lease sales in 1986, and among those who did report fleet/lease business, those sales generally represented a small percentage of their total volume.

When asked what factors made their franchises successful in 1986, a majority of the dealers listed their emphasis on service and customer satisfaction. Gary Gray, owner of Orange Coast AMC-Jeep, Costa Mesa, Calif., said he hired a customer satisfaction coordinator for his store last year.

Promotional events during the year also helped AMC's top 10 to get in touch with current and potential customers.

Lowe said his Jasper Jeep dealership sponsors a 4wd Mud Run and Jeepers Jamboree race each year to promote itself among 4wd enthusiasts. Doug Steed, general manager of Buerge AMC-Jeep-Renault, West Los Angeles, said the store hosted a family day, complete with "live" cartoon characters and roasted hot dogs.

Service and parts dollar volume as a percentage of total sales ranged from 4.48 percent at Jasper Jeep Sales to 16.45 percent at Kings Plaza AMC-Jeep-Renault, Brooklyn, N.Y. All but one of the top 10 said the Jeep Cherokee was the best-selling nameplate in 1986.

Manhattan AMC-Jeep-Renault was the only company-owned store in the AMC top 10.

— Laura Clark

Buick

Fleet and lease sales buoyed the business of the 10 largest-volume Buick dealers in the United States in 1986.

Nine of the 10 said that less than 50 percent of their total sales were to retail customers last year. The volume of fleet cars as a percentage of total sales ranged from 25.50 percent at Buick Mart, Cerritos, Calif., to 89 percent at Polkowitz Motors, Perth Amboy, N.J.

Sonny King, owner of Orange Buick, Orlando, Fla., the largest-volume Buick dealer in 1986, said the fleet business has become highly competitive, even among Buick outlets, with dealers sometimes taking as little as $20 in profit from a car.

Rental-car companies, large corporations and leasing companies were named as some of the biggest customers for the large fleet-oriented Buick stores. Many of the biggest fleet dealers are located near major airports, including Miami, Newark and Chicago.

Like many of its GM sister divisions, Buick's 10 top-volume dealers for 1986 were most frequently dualed with other franchises. Six of the Top 10 Buick dealers housed a second brand in the same facility; however, only two of the six were GM makes.

When asked what factors were most important to their success, nearly every top-volume Buick dealer emphasized service.

"The most successful thing is treating our customers well," said Maury Wilkins, owner of Wilkins Buick-Isuzu, Glen Burnie, Md., the fourth-largest Buick dealer in 1986.

"It's very different selling a car today, you've got to stress the service," Wilkins said.

Some dealers said the high-income and older customers who are attracted to the Buick nameplate demand high-quality service from everyone from the salesman to the mechanic.

"It's important that we deal on a high-level basis," said Lew Webb, president of Buick Mart, Cerritos, Calif., the Buick dealer with the highest retail sales.

Bob Stillman, Stillman & Hoag, Englewood, N.J., said service is also the key to maintaining a good fleet business.

"To compete only on price doesn't serve the customer's best interest; some dealers do compete only on price and don't stay in (the fleet business) very long," Stillman said.

Other factors for success cited by Buick's Top 10: an in-house advertising agency at Orange Buick; once-a-month sales events at Stillman & Hoag; a $683,000 ad budget at William Lehman Buick, Miami; longer service hours at Wilkins Buick-Isuzu; square dances and holiday parties at Bob Brest Buick-Nissan, Lynn, Mass.; special equipment on display cars at Bauer Buick-Isuzu-Sterling, Harvey, Ill.; and direct-mail programs at Loren Buick, Glenview, Ill.

— Laura Clark

Cadillac

National Cadillac sales recovered last year, and along with that recovery came prosperity for the 10 top-performing Cadillac dealers.

Most of the largest Cadillac dealers reported that the DeVille was the best-selling model. One dealer, William E. Hartigan, Heritage Cadillac, Lombard, Ill., capitalized on Brougham, making it his best seller.

Only four of the 10 largest dealerships were exclusively Cadillac outlets. Four of the dualed dealerships also had Sterling franchises, not surprising because Norman Braman, chairman of Sterling importer Austin Rover Cars of North America, owns Braman Cadillac, Miami. Braman's dealership

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Fleet business is B-I-G business

58% of sales by Top 100 are to lease and rental customers

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Success is fleeting, so to speak.

Last year, there was a direct correlation between being one of the biggest fleet dealers and being among the top-volume franchises.

In fact, the list of the top five fleet dealers is identical to the list of the top five total-sales dealers. Eight of the Top 10 fleet dealers also were in the total-sales Top 10.

The 123,363 fleet deliveries by the 10 highest-volume fleet dealers accounted for 36.53 percent of the 337,715 fleet units sold by the Top 100 franchises.

Total fleet sales by the 100 accounted for an astounding 58.28 percent of all sales by those franchises.

Dealers with the big-fleet franchises reported that their sales went to a variety of customers including daily rental companies, fleet lease companies and their own in-house lease and rental companies.

However, there are some big franchises and megadealer operations that do well without fleet sales and, of course, dispute fleet sales as a true measure of franchise volume.

Robert Potamkin, of the Potamkin megadealer organization, for example, said that retail sales are the real measure of a successful dealer.

Nonetheless, there are many dealers who unabashedly sell cars they never see. They simply shuffle paperwork and happily pocket the profits of $20 to $50 per car.

The second-largest fleet dealer, Bill Wink, Bill Wink Chevrolet, Dearborn, Mich., said he has a lot of fleet accounts and many long-standing customers whom he strokes.

Other big fleet dealers credit geography for fleet sales success.

"I'm in the perfect location for fleet business," said Stanley Z. Penn, owner of Penn Pontiac, Baltimore. "I sell to fleet customers from other cities all over the seaboard."

The geographical distribution of the Top 10 fleet franchises was almost entirely in the Eastern half of the United States.

There was one in Connecticut, two in the New York City area, one in Baltimore and two in Florida. In the Midwest there was one in the Chicago area, one in the Detroit area and one in Indiana.

The California franchise in the fleet sales Top 10 was the only one on that list west of the Mississippi River.

FLEET LEADERS

Rank	Franchise	Location	1986 Fleet Sales (units)
1	Dale Oldsmobile	Bronx, N.Y.	24,715
2	Bill Wink Chevrolet	Dearborn, Mich.	16,925
3	Jordan Ford	Mishawaka, Ind.	14,551
4	Santa Monica Ford	Santa Monica, Calif.	11,205
5	Ed Morse Chevrolet	Lauderhill, Fla.	10,924
6	Stephen World of Wheels	Bristol, Conn.	9,970
7	Penn Pontiac	Baltimore, Md.	9,900
8	Z. Frank Chevrolet	Chicago, Ill.	9,000*
9	J.M. Pontiac	Hollywood, Fla.	8,598
10	Rice & Holman Ford	Mt. Laurel-Pennsauken, N.J.	7,575

*Estimated

TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
AMC-JEEP-RENAULT											
Jasper Jeep Sales Inc. Jasper, Ga.	Michael W. Lowe	11	41		Cherokee	$ 35.07	$ 1.57	802	1,818	1,018	2,836
Broadway AMC-Jeep-Renault Denver, Colo.	Gerald Morris	10	120		Cherokee	58.99	2.98	1,010	1,424	1,394	2,818
Atlantic AMC-Jeep-Renault West Islip, N.Y.	John Staluppi	7	80		Cherokee	21.00	1.10	200	1,850	0	1,850
Royal AMC-Jeep Inc. Orlando, Fla.	Ray Tatum	12	80		Alliance	28.25	3.43	832	1,510	0	1,510
Manhattan AMC-Jeep-Renault New York, N.Y.	John Monninger	27	50		Cherokee	24.30*	2.10*	145	1,425	0	1,425
Back Bay AMC-Jeep-Renault Boston, Mass.	Bob Mariano	12	75		Cherokee	23.70	2.30	300	1,172	210	1,382
Buerge AMC-Jeep-Renault West Los Angeles, Calif.	John R. Buerge	4	50		Cherokee	25.18	1.89	300	1,050	192	1,242
Town & Country AMC-Jeep-Renault, Seattle, Wash.	Maria Smith	3	65		Cherokee	24.44	2.33	591	1,033	118	1,151
Orange Coast AMC-Jeep Costa Mesa, Calif.	Gary Gray	6	70		Cherokee	21.00	2.46	500	1,100	0	1,100
Kings Plaza AMC-Jeep-Renault Brooklyn, N.Y.	Bob Koss	4	45		Cherokee	15.78	2.57	120	950	0	950
BUICK											
Orange Buick Orlando, Fla.	Sonny King	11	125		Century	95.00	5.00	756	1,592	3,918	5,510
Stillman & Hoag Inc. Englewood, N.J.	Bob Stillman	15	120	Isuzu	Century	82.00	6.00	878	1,113	4,149	5,262
Willian Lehman Buick Miami, Fla.	William Lehman Jr.	17	140	Saab	Century	85.94	4.58	950	1,332	3,614	4,946
Wilkins Buick-Isuzu Glen Burnie, Md.	Maury Wilkins	6	70	Isuzu	Century	60.00	3.00	350	1,000	3,000	4,000
Loren Buick Inc. Glenview, Ill.	Irving N. Segal	30	85		LeSabre	48.79	2.18	500	1,800	2,100	3,900
Bauer Buick-Isuzu-Sterling Harvey, Ill.	Gordon Walker	5	100	Isuzu, Sterling	Century	64.00	6.00	739	1,600	2,092	3,692
Jim Lupient Buick Minneapolis, Minn.	Perry Bedenbender	2	62		Century	36.56	2.14	539	870	2,454	3,324
Buick Mart Cerritos, Calif.	Lew Webb	4	150		Century	67.00	2.20	900	2,460	840	3,300
Polkowitz Motors Perth Amboy, N.J.	Maurice Polkowitz	36	55	Cadillac	Century	119.90	3.24	46	355	2,880	3,235
Bob Brest Buick-Nissan Lynn, Mass.	Bob Brest	27	125	Nissan	Regal	70.00	6.60	2,000	1,300	1,765	3,065
CADILLAC											
Bayview Cadillac Fort Lauderdale, Fla.	Edward J. Morse	35	181		Deville	162.22	8.77	1,363	2,184	3,954	6,138
Potamkin Cadillac Corp. New York City, N.Y.	Victor Potamkin	15	233	Mitsubishi, Sterling	Deville	178.26	14.32	1,499	4,403	610	5,013
Polkowitz Motors Perth Amboy, N.J.	Maurice Polkowitz	36	55	Buick	Deville	119.90	3.24	46	256	3,729	3,985
Roger Penske Cadillac Downey, Calif.	William R. Piercey	8	202		Deville	122.00	13.75	848	2,589	606	3,195
Martin Cadillac-Sterling Inc. West Los Angeles, Calif.	D. R. Martin	26	198	Sterling	Deville	105.00	15.00	380	2,481	620	3,101
Sewell Village Cadillac-Sterling Dallas, Texas	Carl Sewell	76	250	Sterling	Deville	96.00	19.00	928	2,230	93	2,323
Coral Cadillac Pompano Beach, Fla.	Norman E. Wiese	12	170		Deville	75.63	10.04	768	2,124	0	2,124
Braman Cadillac Miami, Fla.	Norman Braman	N.A.	180*	BMW	N.A.	85.00*	6.45*	410*	1,710*	205*	1,915*
Rodger Meier Cadillac Dallas, Texas	Todd Meier	18	125	Sterling	Deville	66.80	11.54	710	1,465	403	1,868
Heritage Cadillac Lombard, Ill.	William Hartigan	20	98		Brougham	54.00	3.30*	1,000	1,600	0	1,600
CHEVROLET											
Bill Wink Chevrolet Dearborn, Mich.	Bill Wink	31	92	GMC Trucks	Cavalier	223.97	4.99	846	1,483	16,925	18,408
Ed Morse Chevrolet Lauderhill, Fla.	Edward J. Morse Jr.	18	195		Celebrity	150.07	9.79	1,135	2,542	10,924	13,466
Z. Frank Chevrolet Chicago, Ill.	Jack Sayer	51	164		Celebrity	148.58	6.96	1,089	3,677*	9,000	12,677
Jim Johnson Chevrolet Inc. Richardson, Texas	Jim Johnson	4	290		Camaro	204.00	10.00	6,765	9,216	2,119	11,335

*Estimate

continued →

TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
Celozzi-Ettleson Chevrolet Elmhurst, Ill.	Nicholas A. Celozzi	9	225		Cavalier	$115.60	$ 9.94	2,526	5,763	3,943	9,706
Friendly Chevrolet Co. Inc. Dallas, Texas	Mark Eddins	27	246		Camaro	147.55	19.31	1,171	5,819	3,713	9,532
Legum Chevrolet-Nissan Baltimore, Md.	Jeffrey A. Legum	65	195	Nissan	Cavalier	105.00	13.80	1,231	4,177	2,906	7,083
Lou Grubb Chevrolet Phoenix, Ariz.	Lou Grubb	15	328	Sterling	Celebrity	105.00	17.95	2,577	4,820	1,810	6,630
Fox Chevrolet Inc. Baltimore, Md.	Benno Hurwitz	54	205		Cavalier	93.00	8.00	1,449	6,623	0	6,623
Frank Parra Chevrolet Inc. Irving, Texas	Frank Parra	16	220	Mitsubishi, Jeep	Camaro	110.00	4.88	1,450	4,354	1,807	6,161
CHRYSLER-PLYMOUTH											
Lake Forest C-P Gaithersburg, Md.	John Fitzgerald Jr.	N.A.	140*	Isuzu	N.A.	90.00*	4.50*	850*	2,500*	5,980*	8,480*
South Bay C-P Torrance, Calif.	James B. Clark	2	87		Voyager	143.05	1.93	946	1,692	5,817	7,509
Glavic C-P Inc. Parma, Ohio	Ronald J. Glavic	12	45		Reliant	93.25*	2.20*	150*	650	6,582	7,232
Galeana C-P Ft. Myers, Fla.	Frank Galeana	6	110		Fifth Avenue	85.39	1.19	1,192	1,581	4,859	6,440
Tate C-P Glen Burnie, Md.	Creston G. Tate	28	60		Reliant	22.62	2.81	390	1,460	3,076	4,536
Reedman Corp. Langhorne, Penn.	Ralph Reedman	27	N.A.	Chevrolet, L-M, Jaguar, Dodge	N.A.	90.00*	6.35*	1,200*	2,300*	1,900*	4,200*
Liccardi Motors Inc. Green Brook, N.J.	Clemente Liccardi	33	120	Peugeot	Fifth Avenue	46.30	1.69	1,174	3,227	0	3,227
Mid City C-P Co. Arlington, Texas	Tom M. Demarest	28	73		Voyager	52.69	3.98	477	1,241	1,851	3,092
Roseville C-P Roseville, Mich.	James Riehl Sr.	20	150		Horizon	48.00	4.45	808	2,789	224	3,013
Walser C-P inc. Hopkins, Minn.	Robert J. Walser	7	79		Voyager	26.98	1.83	1,007	1,367	1,078	2,445
DODGE											
Luke Potter Dodge Winter Park, Fla.	Luke Potter	26	70	Yugo	Shadow	117.70	21.01	3,348	1,863	7,570	9,433
Colonial Dodge Kensington, Md.	John Fitzgerald Jr.	N.A.	95*	Peugeot	N.A.	73.15*	4.25*	1,100*	2,150*	6,270*	8,420*
Dodgeland Springfield, N.J.	Donald Toresco	N.A.	250*	Toyota, Ford, Chrysler, Yugo	N.A.	93.50*	3.23*	1,000*	2,050*	5,130*	7,180*
Tate Dodge Glen Burnie, Md.	Creston G. Tate	32	60		Aries	23.66	1.87	995	1,431	4,228	5,659
Warnock Dodge Inc. Livingston, N.J.	Don Warnock	11	125		Caravan	61.23	3.17	486	1,800	3,700	5,500
Swift Dodge Sacramento, Calif.	Chuck Swift	21	190	Rolls-Royce, AMC	Caravan	67.27	2.10	1,800	2,200	2,797	4,997
Del Amo Dodge Torrance, Calif.	James B. Clark	19	92		Caravan	56.99	2.81	900	1,800	2,972	4,772
Glavic Motors Inc. Wickliffe, Ohio	John Glavic	36	50	Subaru	Aries	55.00*	2.50*	725	850	3,287	4,137
Ourisman Dodge Inc. Alexandria, Va.	Dan Korengold	9	108		Ram Van	51.64	3.51	927	2,650	700	3,350
Pointe Dodge Inc. Detroit, Mich.	Ken Meade	19	97		Ram Van	49.51	3.11	1,131	2,377	941	3,318
FORD											
Jordan Ford Mishawaka, Ind.	Jordan Kapson	26	200	Toyota, Volvo	E150 Van	213.00	3.30	1,511	2,941	14,551	17,492
Santa Monica Ford Santa Monica, Calif.	Bob Karlin	39	90	Yugo	Mustang	198.93	3.84	1,503	2,667	11,205	13,872
Rice and Holman Ford Mt. Laurel-Pennsauken, N.J.	Joseph Holman	63	225	Kenworth	Escort	90.00	10.00	1,000	3,500	7,575	11,075
Pacifico Ford Philadelphia, Penn.	Kerry Pacifico	66	160	Hyundai, Pontiac, L-M, Buick	Escort	110.00	6.10	1,900	2,900	7,476	10,376
Al Piemonte Ford Melrose Park, Ill.	Al Piemonte	22	140		Escort	109.41	2.90	1,451	7,155	2,500	9,655
Dave Sinclair Ford St. Louis, Mo.	David Sinclair	20	145		Escort	77.60	5.92	1,449	5,853	108	5,961
Koons Ford Falls Church, Va.	James Koons	24	250		Escort	77.68	8.79	1,610	5,180	0	5,180
Bob Smith Ford Pittsburgh, Penn.	Robert C. Smith	15	104		Escort	48.26	2.09	920	2,319	2,775	5,094

*Estimate

TOP SELLING DOMESTIC FRANCHISES

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employes	Other makes, same location	Best selling model	Total 1986 sales all franchises, depts. at location	Parts & service volume	Retail used units	Retail new units	1986 fleet sales	Total 1986 new units
Wilmington Sales Wilmington, Mass.	Ben Ristuccia	32	200		Thunderbird	$ 36.79	$ 2.00	3,000	4,916	0	4,916
Koons Ford Baltimore, Md.	James Koons	2	212		Escort	68.54	6.18	1,447	4,719	0	4,719
LINCOLN-MERCURY											
Central Florida Motors Orlando, Fla.	Bob Borst	47	88		Grand Marquis	94.80	12.30	1,290	1,587	3,180	4,767
Pompano L-M Pompano Beach, Fla.	Joe Chiavaroli	13	126		Grand Marquis	82.68	5.25	1,357	2,031	2,579	4,610
Northgate L-M Tampa, Fla.	Jack W. Parks	12	150		Grand Marquis	82.74	3.96	3,400	2,368	1,752	4,120
Carlisle Motors Inc. Clearwater, Fla.	Dan Carlisle	31	197		Grand Marquis	79.63	5.62	1,351	3,158	0	3,158
Stu Evans L-M Garden City, Mich.	Stu Evans	35	100		Grand Marquis	59.17	2.42	976	2,950	77	3,027
Fort Lauderdale L-M Fort Lauderdale, Fla.	Frank McPhee	40	160	Rolls-Royce, Excalibur	Grand Marquis	45.62	8.21	1,137	388	2,444	2,832
Star L-M Southfield, Mich.	Hoot McInerney	17	91		Town Car	58.99	5.40	590	2,679	138	2,817
Elmhurst L-M Elmhurst, Ill.	David G. Mears	75	55		Grand Marquis	38.00	2.10	600	1,200	1,481	2,681
Stu Evans L-M Southgate, Mich.	Stu Evans	42	97		Grand Marquis	50.64	1.81	847	2,493	62	2,555
Eagle L-M Dallas, Texas	Robert M. Eagle	25	189	Isuzu	Cougar	39.02	6.32	1,300	2,508	0	2,508
OLDSMOBILE											
Dale Oldsmobile Bronx, N.Y.	Mark Rosenstock Jr.	40	130		Ninety Eight	379.07	4.00	400	1,850	24,715	26,565
Jim Lupient Oldsmobile Golden Valley, Minn.	Jim Lupient	17	273	Isuzu, Vixen	Cutlass Ciera	165.59	16.72	1,549	3,652	7,133	10,785
Anderson Oldsmobile Baltimore, Md.	Bill Mortimer	67	150	Volkswagen, Sterling	Cutlass Ciera	43.49	5.22	452	2,388	6,688	9,076
Larry Faul Oldsmobile Schaumburg, Ill.	Larry Faul	N.A.	N.A.		N.A.	110.55*	4.55*	550*	1,430*	6,870*	8,300*
The King Motor Co. Fort Lauderdale, Fla.	W. Clay King	50	350	Isuzu, Suzuki, GMC Trucks	Cutlass Ciera	128.00	4.00	5,054	3,164	3,687	6,851
Arnold Palmer Motors Latrobe, Penn.	James O'Neal Jr.	5	40	Pontiac, Buick, Cadillac	Delta 88	195.00*	13.35*	2,500*	3,250*	3,520*	6,770*
Henry Faulkner Inc. Philadelphia, Penn.	Henry Faulkner	55	200		Cutlass Ciera	86.41	10.96	872	3,641	3,093	6,734
Weil Oldsmobile Libertyville, Ill.	Erwin Weil	N.A.	115*		N.A.	74.35*	3.85*	850*	2,900*	3,300*	6,200*
Z. Frank Oldsmobile Des Plaines, Ill.	Jack Sayer	3	99		Cutlass Ciera	81.57	4.83	704	1,800*	3,961	5,761
Wally McCarthy Oldsmobile Richfield, Minn.	Wally McCarthy	25	150		Cutlass Ciera	78.03	6.92	2,977	2,557	1,546	4,103
PONTIAC											
J. M. Pontiac Inc. Hollywood, Fla.	James Moran	17	161		Grand Am	145.00*	5.30*	2,630	4,071	8,598	12,669
Penn Pontiac Inc. Baltimore, Md.	Stanley Z. Penn	17	60		6000	129.00	3.00	300	1,200	9,900	11,100
Stephen World of Wheels Bristol, Conn.	Stephen Barberino	51	286	Toyota, Ford, GMC, Cadillac, Suzuki, Nissan, Jaguar	Grand Am	218.28	10.02	2,568	731	9,970	10,701
Arnold Palmer Motors Latrobe, Penn.	James O'Neal Jr.	5	40	Buick, Olds, Cadillac	N.A.	195.00*	13.35*	2,500*	3,200*	5,000*	8,200*
Prospect Motors Inc. Jackson, Calif.	Frank Halvorson	13	53	Chevy, Cadillac, Buick, Olds	Grand Am	200.45	1.64	326	56	6,962	7,018
Patrick Pontiac-GMC Libertyville, Ill.	Hanley Dawson III	2	110	GMC Trucks	Grand Am	70.00	1.66	1,000	1,144	4,339	5,483
Larry Faul Pontiac Schaumburg, Ill.	Fred Jacobsen	20	82		N.A.	75.50*	3.50*	800*	2,200*	3,000*	5,200*
Faulkner Pontiac-GMC Inc. Trevose, Penn.	Henry Faulkner	6	175	GMC Trucks	Grand Am	81.61	11.01	642	3,392	1,669	5,061
Wilkins Pontiac St. Louis Park, Minn.	C. Harvey Wilkins	8	75		6000	45.32	3.57	711	870	2,836	3,706
Peninsula Pontiac Inc. Torrance, Calif.	Cecil B. Willis	8	55		Fiero	23.88	2.28	521	975	637	1,612

*Estimate

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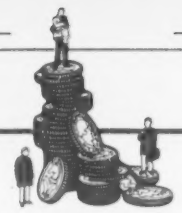

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ranked as the eighth largest Cadillac outlet last year.

Three of the Top 10 Cadillac dealerships are in Florida, including the largest-volume dealer, Bayview Cadillac, Fort Lauderdale. Dealer Edward J. Morse did about two-thirds of his Cadillac volume in fleet business.

The only other Top 10 Cadillac dealer who did more fleet than retail business last year was Maurice Polkowitz, Polkowitz Motors, Perth Amboy, N.J., who sold his dealership at the end of the year. Polkowitz also was one of the top Buick dealers in his final year.

Morse attributed his success last year to three factors. "We strengthened the sales department by upgrading salespeople and the sales management team," Morse said. He said the dealership also constructed a new parking garage that will accommodate 500 cars and that he spends a lot on advertising.

Most of the successful Cadillac dealers reported that satisfying the customer is a crucial factor, as is developing personnel for expansion and promotion.

"Everyone in this dealership understands that the customer is doing us a tremendous favor," said Carl Sewell, Sewell Village Cadillac-Sterling, Dallas. "We treat you like a Cadillac owner."

Sewell said his dealership offers all-day Saturday service department hours and 150 loaner cars for service customers who bought their cars new at his dealership.

— Edward Lapham

Chevrolet

The top 10 Chevrolet dealers sold 101,621 cars and trucks in 1986, or 3.43 percent of the Chevrolets sold in the United States last year.

High-volume dealers said Cavalier, followed by Camaro and Celebrity, were the year's best sellers — except in Texas where Suburban trucks led sales at one dealership.

Bill Wink Chevrolet in Dearborn, Mich., outpaced other volume dealers by a significant margin. Fleet deliveries made up more than 90 percent of the dealership's unit sales. Bill Wink, owner of the dealership, said sales were due to a "lot of stroking of customers."

Other big-volume dealers said the 2.9 percent financing program that closed out the 1986 model year contributed to their success.

"The 2.9 percent was a big shot in the arm here in Dallas because of the oil crunch," said Jim Johnson, of Jim Johnson Chevrolet, Richardson, Texas.

Some dealers said they spent more money in 1986 than 1985 but earned less. "Net profits were half of the year before and you had to spend more money to get people into the dealership," Johnson said.

Jeffrey Legum, of Legum Chevrolet, Baltimore, said television advertising played a role in the dealership's success in 1986.

"We have one of the largest television advertising budgets for dealerships in the country and there is a correlation there," he said. "We dominate the local TV market."

Legum said extended hours for the service department, taking advantage of factory incentives and dualing with Nissan helped. "Nissan brings in younger buyers," he said.

Mark Eddins, owner of Friendly Chevrolet in Dallas, said the dealership upped its advertising budget and worked to dramatically improve customer satisfaction.

Making the customer happy seemed to be the overall ticket to success for dealers. Said Nicholas A. Celozzi, of Celozzi—Ettelson Chevrolet in Elmhurst, Ill.:

"We take care of our customers and they know we will beat any deal in town, so we get a lot of repeat business. The customer who has had 13 cars in 16 years from us is typical."

— Charles M. Thomas

Chrysler-Plymouth

While waves of factory incentives and rebates rolled in and out of showrooms in 1986, the top 10 Chrysler-Plymouth dealers reported renewed consumer interest.

The best-selling model at the top 10 dealerships ranged from Horizon to Reliant, Voyager and Fifth Avenue.

Chrysler's volume-leading dealers reported the third-highest parts and service dollar volume, behind Cadillac and Chevrolet. That was due in part to South Bay Chrysler-Plymouth, Torrance, Calif., which reported the highest parts and service sales of all dealers surveyed — $82 million. That was more than triple the sales of its nearest rival.

Fleet sales also represented a major chunk of the top C-P dealers' 1986 unit sales. Overall, 67 percent of the 50,039 units sold by the top 10 dealers were to fleets. In fact, five of the top 10 dealers reported that fleet sales comprised more than three-fourths of their new-unit sales. Nine-tenths of the 7,509 units sold at Glavic Chrysler-Plymouth, Parma, Ohio, were fleet.

Many of the top-performing dealers cited Chrysler's diversified product line, along with hard work, as important factors for their success in 1986.

However, there were exceptions.

At Liccardi Motors in Green Brook, N.J., the working family was credited with the profit.

"Our success is based on the entire Liccardi family working together and being more aggressive in promotions," said General Manager Kevin Liccardi.

continued →

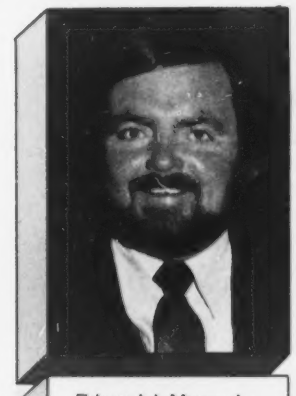
TOPS IN TOTAL SALES

Mark Rosenstock Jr.
Dale Oldsmobile
Bronx, N.Y.
26,565

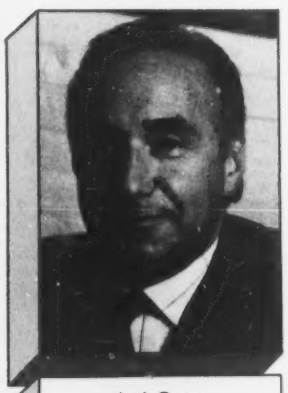
Bill Wink
Bill Wink Chevrolet
Dearborn, Mich.
18,408

Craig Kapson
Jordan Ford
Mishawaka, Ind.
17,492

Bob Karlin
Santa Monica Ford
Santa Monica, Calif.
13,872



Edward J. Morse Jr.
Ed Morse Chevrolet
Lauderhill, Fla.
13,466



Jack Sayer
Z. Frank Chevrolet
Chicago, Ill.
12,677

James Moran
J.M. Pontiac
Hollywood, Fla.
12,669

Jim Johnson
Jim Johnson Chevrolet
Richardson, Tex.
11,335

Stanley Z. Penn
Penn Pontiac
Baltimore, Md.
11,100

Joseph Holman
Rice & Holman Ford
Mt. Laurel-Pennsauken, N.J.
11,075

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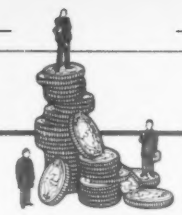

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Tom Demarest, owner of Mid-City Chrysler Plymouth, Arlington, Texas, said the customer is his most important asset.

"You must treat the customer as you wish to be treated," he said.

— Theodore G. Coutilish

Dodge

Dodge's 10 most-productive dealers in 1986 agree that Dodge boys have more fun.

Among top dealers, Dodge boys also know how to roll up some big numbers.

Luke Potter, of Luke Potter Dodge, Winter Park, Fla., exemplifies the Dodge boy spirit. He outdistanced all other Dodge dealers with 9,433 retail and fleet sales last year.

"Chrysler has exceptional credibility with the public," said owner Luke Potter.

The Top 10 Dodge dealers sold an average of 5,662 units apiece for the year.

Fleet sales were a major part of that figure in 1986. Fleet sales comprised more than half the total sales for eight of the Top 10 Dodge dealers.

Caravan was cited most often by the top-performing Dodge dealers as their individual best-selling model. The Ram Van and Aries were right behind Caravan on the list.

Many of the dealers cited a good economy and quality incentive programs and products as reasons for increased sales in 1986.

Individual Dodge dealers offered slightly different perspectives in explaining their rankings on the Top 10 list.

Potter said he became successful by updating his facilities, remodeling and improving training programs.

At Warnock Dodge in Livingston, N.J., owner Don Warnock said "very aggressive incentive programs" led the way to a productive sales year.

Chuck Swift, of Swift Dodge in Sacramento, Calif., said he is glad the factory is staying competitive. "We have the right product at the right price," he said.

Another California dealer, James Clark, Del Amo Dodge, Torrance, included location as a key factor. Clark also had one of the top-volume Chrysler-Plymouth dealerships last year.

The winning combination at Ourisman Dodge in Alexandria, Va., was great team morale, customer satisfaction and "treating customers right," according to owner Dan Korengold.

— Theodore G. Coutilish

TOP RETAILERS

Rank	Franchise	Location	1986 Retail New Units
1	Jim Johnson Chevrolet	Richardson, Tex.	9,216
2	Al Piemonte Ford	Melrose Park, Ill.	7,155
3	Fox Chevrolet	Baltimore, Md.	6,623
4	Dave Sinclair Ford	St. Louis, Mo.	5,853
5	Friendly Chevrolet Co.	Dallas, Tex.	5,819
6	Celozzi-Ettleson Chevrolet	Elmhurst, Ill.	5,763
7	Koons Ford	Falls Church, Va.	5,180
8	Wilmington Sales (Ford)	Wilmington, Mass.	4,916
9	Lou Grubb Chevrolet	Phoenix, Ariz.	4,820
10	Koons Ford	Baltimore, Md.	4,719

Ford

The biggest-volume Ford dealers in the United States were a pretty happy lot last year. They were happy with the Ford product lineup and their ability to compete for retail sales as well as fleet business.

The top 10 performers, located in eight states from coast to coast, reported a variety of reasons for success, and seven of the 10 said Escort was their sales leader.

Mustang and Thunderbird also received first-place votes, and Taurus was second for many of the dealers.

Surprisingly, none of the top 10 Ford dealers named the nation's best-selling model, the full-size Ford pickup, as their individual volume leader.

However, Jordan Ford, Mishawaka, Ind., cited the E-150 van as its best seller. Jordan Ford, No. 1 among Ford franchises, reported 83.19 percent of its deliveries were to fleets. It also was the third-largest domestic-make franchise in the United States last year.

Although the dealership was big in Ford van chassis sales to nearby recreational-vehicle manufacturers, dealer Jordan Kapson said "sales are made one at a time" through customer satisfaction and awareness and doing "whatever it takes" to make the sale.

Virtually all of the leading Ford dealers gave much of the credit for their sales success last year to the quality of the product they sell.

"I think having the best American product there is and good retail-minded programs were the keys to success," said David Sinclair, Dave Sinclair Ford, St. Louis.

Kapson called it "the right product," and Bob Karlin, owner of Santa Monica Ford, Santa Monica, Calif., said his success was due to "better product."

Most dealers also discussed the virtues of hard work, customer satisfaction, cooperation, integrity and teamwork.

Others mentioned large advertising budgets, dealership reputation, a stable workforce and the physical appearance of the dealership.

James Koons had two Koons' Ford dealerships in the top 10, one in Falls Church, Va., and one in Baltimore. He said his greatest asset was a "real young organization," that has enthusiasm. "We're just getting started," Koons said.

One of the top performers on the list is Rice and Holman Ford. The company has a car and light-duty truck facility in Mt. Laurel, N.J., and a truck-only facility in Pennsauken, N.J., which specializes in Ford's heavy-duty models.

Half of the top-selling dealerships achieved success primarily through retail sales, without the big numbers engendered by fleet sales to leasing and daily rental companies.

— Edward Lapham

Lincoln-Mercury

Lincoln-Mercury's Top 10 U.S. dealers say they owe much of their 1986 success to GM — the Grand Marquis, that is.

All but two of the dealers said Grand Marquis was their best-selling model in 1986. Along with Grand Marquis, the luxury Lincoln Town Car and the restyled Cougar led the way to a solid sales year.

Star Lincoln-Mercury, South-

continued →

Dohner's Ford truck deal rings up sales of $100 million

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Philadelphia Ford dealer John P. Dohner sold 3,715 new vehicles last year, not enough to be listed among the 10 largest Ford franchises, but a respectable total nonetheless.

What set Dohner apart was that his total did not include a single Escort, Thunderbird or Taurus. Dohner's dealership, Liberty Ford Truck Sales, is a truck-only outlet. The best-selling model at Liberty Ford last year was the LN-8000 heavy-duty truck.

Gross sales for the Ford-only store, which Dohner owns, were "just under $100 million," he said, including $2.5 million in parts sales and $750,000 in service labor charges.

Less than 10 percent of total new-truck sales — just 360 units — were retail deliveries. The majority of Liberty Ford's sales were to fleet customers, including the Ryder System, the state of Pennsylvania and the city of Philadelphia.

Liberty's appeal to customers apparently is more than just price. Dohner credits a highly computerized ordering system that allows customers to verify an order with a printout on each vehicle before the order is sent and the truck is built and shipped.

He also has a "total open door policy" that involves opening his books to his customers so that they know everything about his operation, including his profit.

"People aren't opposed to you making a fair profit," he said, "and it's a very clean way to do business. When you take the mystery out of the sales system, it takes the sting out of it."

Midway Ford Truck Center, Kansas City, Mo., another truck-only store, sold 962 units last year, 20 percent of which were retail, making 1986 its "lightest year in some time." However, Midway traditionally is one of the top truck sales centers; during the first half of this year, it delivered 1,200 units. Total dealership volume last year, including all departments plus Hino truck sales, was $39 million.

Dealer Gary McClung and his two partners, Donald C. Ahnger and R.D. Edwards, have a philosophy that's different from Dohner's. They know the heavy-duty truck fleet business is cyclical, so they emphasize parts and service. Of total dollar volume last year, McClung said, $9.1 million was in parts and $2.9 million in service labor charges.

"Our first goal is service," McClung said.

"I like to think we're aggressive in parts and service business," he said. "The sign of a good shop operation is if at least 20 percent of the business is from other-make vehicles."

Truck sales were important to dealers selling cars, too.

One dealership, Rice and Holman Ford, has a car facility in Mt. Laurel, N.J., and a truck-only center in Pennsauken, N.J. That operation sold 400 heavy-duty trucks and reported $10 million in parts and service sales.

Four of the top-performing automobile dealers said a truck was their best-selling model last year — and that does not include the "trucks" that pass for cars. Nine AMC-Jeep-Renault dealers said Cherokee was their best-selling model. Three Chrysler-Plymouth dealers said the Voyager minivan was their biggest seller. Three Dodge dealers said the Caravan minivan moved best for them.

The top-volume car dealers relied on trucks in other ways: Five of the General Motors dealers in the listing were dualed with GMC trucks, and 10 other dealerships with car-only franchises were dualed with an import or domestic line that included trucks.

Potamkin stresses retail sales

Megadealer moves 50,000 vehicles a year from 15 outlets

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The Potamkin organization moves a lot of iron — nearly 50,000 new vehicles were retailed last year — but only one of its dealerships was among the Top 10 for any make.

The reason is simple: Potamkin dealerships emphasize retail sales, not fleet sales.

The Potamkin outlets handle the products of seven of the 10 domestic car divisions — no Buick, Oldsmobile or Pontiac — plus imported makes including Isuzu, Hyundai, Yugo, Sterling, Mitsubishi, Volkswagen and Toyota. Still, the only makes that they sell to fleet or lease companies are Cadillac, Chevrolet and Ford. Only 4.1 percent of Potamkin's new-vehicle deliveries are fleet sales.

Although the organization has 41 franchises at 15 dealerships and served as the prototype and archetype for the "megadealer," it is probably best known for its Manhattan Cadillac operation, which the Potamkins reportedly have considered selling to another megadealer operation, the Penske Group, headed by ex-racer Roger Penske.

Imported units accounted for 37.10 percent of total Potamkin new-vehicle deliveries last year, while General Motors makes — Chevrolet and Cadillac — accounted for 30.15 percent and Chrysler makes — Chrysler, Plymouth and Dodge — accounted for 26.83 percent. Ford Motor Co. and American Motors lines made up the balance.

The three Potamkins — father Victor plus sons Robert and Alan — are able to manage the organization easily because each of the dealerships is operated by an equity partner with as much as one-half ownership in that dealership.

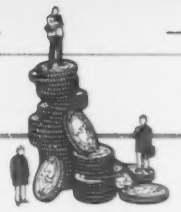
Every Potamkin dealership employee receives incentive pay based on factors he or she can control on a day-to-day basis.

The system has paid off for the Potamkins and has led to rapid growth for the organization. Last year, the Potamkins and their 10 equity partners managed $1 billion in sales.

POTAMKIN 1986 UNIT SALES

Make	Retail	Fleet	Total New	Used	TOTAL
AMC-Jeep-Renault	748	—	748	248	976
Cadillac	5,738	610	6,348	4,621	10,969
Chevrolet	7,883	1,481	9,364	7,585	16,949
Chrysler-Plymouth	8,584	—	8,584	2,269	10,853
Dodge	5,400	—	5,400	2,330	7,730
Ford	1,079	54	1,133	1,084	2,217
Lincoln-Mercury	1,204	—	1,204	—	1,204
TOTAL IMPORT MAKES	19,336	—	19,336	6,594	25,930
TOTAL	49,972	2,145	52,117	24,711	76,828

$ALES GIANTS



continued from page 43

field, Mich., reported that its number one seller was the big Town Car, accounting for 703 sales.

Eagle Lincoln-Mercury, Dallas, said the Cougar was its sales leader.

Major reasons cited for individual success by Lincoln-Mercury dealers were service and "a fantastic product line."

Joe Chiavaroli, executive vice president and general manager of Pompano Lincoln-Mercury, Pompano Beach, Fla., said this is the best product line since Ford Motor Co. dedicated itself to quality improvements in 1980.

Other factors cited by the Top 10 dealers for increased retail sales included: Ford's extended-service plan, higher-quality cars, honest and fair service provided by the dealers and styling.

Leading the pack with more than 4,000 retail and fleet units sold was Bob Borst, owner of Central Florida Motors in Orlando, Fla. Borst attributed the success of his 47-year-old dealership to a super reputation for offering excellent customer service.

"We provide honest and fair service and we stay away from gimmicks," he said.

When asked about marketing techniques, most of the high-performing dealers said long-standing community reputations and maintaining strong customer satisfaction were their marketing tools, not promotional gimmickry or sideshows.

— Theodore G. Coutilish

Oldsmobile

The largest-volume Oldsmobile dealers last year were successful for a variety of reasons, but most agreed that the Cutlass Ciera was their best-selling model.

Six of the Top 10 Oldsmobile dealerships were exclusives. Dualed franchises ranged from a full house of General Motors lines to Volkswagen, Isuzu, Suzuki, Sterling and Vixen motor homes.

Dale Oldsmobile, Bronx, N.Y., the highest-volume domestic dealership last year, depended on fleet sales to take the crown. Dale had 1,850 retail sales and 24,715 fleet sales for a total of 26,565 units.

Mark E. Rosenstock Jr., of Dale Oldsmobile, said the Oldsmobile 98 and Cutlass Ciera were his best-selling models, but that his real success comes from "reputation and hard work."

Two Minnesota dealerships attributed 1986 sales success to the 2.9-percent loans during the model-year closeout: No. 2 Oldsmobile franchise Jim Lupient Oldsmobile, Golden Valley, and Wally McCarthy Oldsmobile, Richfield.

Many dealers emphasized the need to treat customers well.

W. Clay King, King Motor Co., Fort Lauderdale, Fla., said "it all starts and ends" with customer satisfaction.

Jack Sayer, general manager of Z. Frank Oldsmobile, Des Plaines, Ill., put it succinctly: "We treat every customer as if he or she were a referral of Mr. (Zollie) Frank personally."

There also was agreement on the need to maintain first-class facilities and to develop a dependable, stable workforce.

"It's simple," said Henry Faulkner, Henry Faulkner Inc., Philadelphia. "We made a major investment in the facility and a major investment in people."

— Edward Lapham

Pontiac

The A- and N-bodies made the difference for most of the top Pontiac dealers, as Grand Am and 6000 proved to be their most popular models in both fleet and retail sales last year.

The one notable exception among the 10 largest Pontiac dealers was Peninsula Pontiac, Torrance, Calif.

"This is a beach area," said dealer Cecil B. Willis, "so we get a lot of younger buyers and they buy Fiero."

Location seemed to be a factor in more than model preference: Stanley Z. Penn, Penn Pontiac, Baltimore, said his location near Baltimore's harbor and gentrified neighborhoods, plus his proximity to Washington, contributed to his ranking.

Penn also sells boats, and that helped too. "I have people coming in to buy boats all the time," Penn said. The boats attract customers from a larger geographic area, and his boat customers often become car customers as well, he said.

While Penn was the only dealer selling boats in the same facility, just four of the Top 10 dealers, including Penn, have no other brands of automobiles in the same showroom.

Stephen Barberino sells seven additional makes at Stephen World of Wheels, Bristol, Conn.

Patrick Pontiac-GMC carries Mitsubishi and Suzuki in addition to Pontiac and is part of the Hanley Dawson multi-franchise, 14-acre complex in Libertyville, Ill.

Most of the biggest Pontiac dealers cited the standard factors for their sales success: satisfied customers plus dedicated and well-compensated employes.

C. Harvey Wilkins, Wilkins Pontiac, St. Louis Park, Minn., emphasized good management including a good general manager and a good general sales manager. Above all, he said, a successful dealer "must apply himself and use good selling sense."

Fleet sales also were important to the Pontiac Top 10. Only two of the 10 dealers reported more retail deliveries than fleet sales last year: Willis at Peninsula and Henry Faulkner, Faulkner Pontiac-GMC, Trevose, Pa.

— Edward Lapham

Automotive News Staff Reporters Kathy Barbaglia, Mary Connelly, Louise Kertesz, Michelle Krebs and Philly Murtha contributed to this special report.

Just call him Mega-Dean

Roger H. Dean was a megadealer before the word was invented.

None of his stores is large enough to make the Top 10 list of any given brand. Nevertheless, gross sales are expected to top $1 billion this year.

Dean acquired his first franchise 40 years ago. Today, Roger H. Dean Enterprises, headquartered in West Palm Beach, Fla., has 52 franchises, and Dean expects to add a half dozen or more this year. The franchises represent 23 makes in 43 locations, mainly in Florida, Ohio and West Virginia.

His 1986 results: nearly 93,000 sales and volume of $914 million.

Dean attributes his success to hard work, good people and taking risks. He said he puts hard-working young people in key spots, eventually putting them into their own dealerships as partial owners.

Forty years ago, Dean was a traveling salesman. His car broke down in Welch, W.Va., and the Lincoln-Mercury dealer took him to lunch. He told Dean he took in $10,000 the previous month.

Dean was interested. He obtained an L-M deal in Athens, Ohio, and acquired three more stores the first year.

In 1955, when Ford wouldn't allow Dean to expand any more, he sold his Ford and L-M outlets and bought Chevrolet dealerships in the same towns.

Big markets, big fleets lead to big dealers

49 of Top 100 outlets located in four states

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The top-performing domestic-franchise dealers tend to be clustered in high-density metropolitan areas and high air-travel areas with large lease and daily rental fleets.

The formula is simple: The biggest markets have the biggest dealers.

Florida, with its large daily rental fleets, superb Dade County demographics and numerous tourist attractions, accounted for 16 of the 100 top-performing franchises. In fact, every one of the 10 domestic divisions except Ford had at least one of its top dealers in Florida.

The highest concentration is among luxury makes: Four of the top 10 Lincoln-Mercury outlets are there, including the best-selling L-M franchise, Central Florida Motors, Orlando. Three of the top 10 Cadillac dealerships are in Florida, including top-performer Bayview Cadillac in Fort Lauderdale.

Illinois ranks second to Florida, with 12 of the top 100 clustered in the Chicago area. There, top-selling General Motors dealerships abound, including three of the top Oldsmobile franchises, two each from Buick, Chevrolet and Pontiac, plus one of the top Cadillac dealerships.

California, with the third-largest collection of top franchises (11), has a well-balanced mix, with two each from AMC-Jeep-Renault, Cadillac, Dodge and Pontiac. Only Chevrolet, Oldsmobile and Lincoln-Mercury had none of their top dealerships in California.

WHERE THEY ARE

Maryland, neighbor to Washington and in the highly populated eastern corridor, was home to 10 of the top 100 franchises. It proved to be well diversified: There were two top performers each from Dodge, Chrysler-Plymouth and Chevrolet, plus one each from Oldsmobile, Pontiac, Buick and Ford.

Those four states accounted for 49 of the 100 top-performing dealers.

The densely populated eastern metropolitan areas also have their share of big dealers.

New Jersey and Pennsylvania each had seven of the top-performing dealerships. The New York City region, which includes some cities in New Jersey, had nine of the big franchises — two Cadillac, two Buick and two AMC, plus one each from Oldsmobile, Dodge and Chrysler-Plymouth. Four of those franchises were in New Jersey.

Texas had seven, including three Chevrolet, two Cadillac, one Lincoln-Mercury and a Chrysler-Plymouth. Five of the big Texas deals were in Dallas; one was in nearby Irving; and one was in Arlington, also in the Dallas area.

The Detroit area had six of the ranking franchises, including three Lincoln-Mercury dealerships and one store each from Dodge, Chrysler-Plymouth and Chevrolet.

The other states with more than one of the top 100 outlets were Minnesota with five, Massachusetts with three and Ohio and Virginia with two each.

Artwork by Ruth Skurda

AUCTION DATES

American Motors

Sept. 1 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 2 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 3 — Corry Auto Auction, Corry, Pa.

Sept. 8 — D-A Auto Auction, New Stanton, Pa.

Sept. 9 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Chrysler Corp.

Sept. 1 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Sept. 2 — A.D.E. of Alabama, Boaz, Ala.; Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Sept. 3 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Used Car Sales
Auction Averages

August, 1987	$6,070
Month ago	$6,030
Year ago	$5,237

Sept. 8 — NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

General Motors

Sept. 1 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; 166 Auto Auction, Springfield, Mo.; and South Seattle Auto Auction, Kent, Wash.

Sept. 2 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Sept. 3 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; Denver Auto Auction Englewood, Colo.; and Big H Auto Auction, Houston

Model Breakdown
Auction Averages

	AUG 1987	JUL 1987	JUN 1987
1987	$11,726	$11,512	$11,113
1986	$8,934	$9,032	$9,187
1985	$7,385	$7,394	$7,191
1984	$5,754	$5,756	$5,727
1983	$5,016	$5,081	$4,852
1982	$3,648	$3,684	$3,687
1981	$2,632	$2,642	$2,680
1980	$2,072	$2,068	$2,134
Overall Average	$6,070	$6,030	$5,900

Ford Motor Co.

Sept. 1 — Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 2 -- Indianapolis Auto Auction, Indianapolis, and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Sept. 3 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and Nashville Auto Auction, Nashville, Tenn.

Sept. 9 — Lakeland Auto Auction, Lakeland, Fla.

Safety center seeks recall of one million GM models

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Technical bulletins sent to General Motors dealers indicate that some 1986 and 1987 cars may stall because of electronic problems.

The Center for Auto Safety called the stalling problems serious. It said that complaints it has received indicate the problem may continue even after servicing.

It has asked NHTSA to investigate the defect and recall some one million cars potentially involved.

A spokesman for GM acknowledged the problem and said, "Some '86 and '87 models may experience a stalling condition, which dealers may remedy through a change in an onboard computer memory module."

The December 1986 and February 1987 service bulletins sent to dealers said GM will issue parts or kits to correct the problem. Involved, according to the safety center, are all 1986 and 1987 C-, H- and E-body cars, as well as A-body cars with 3.8-liter engines.

The February dealer bulletin listed the following 1986 models as cars that may "intermittently not stay running" or "stop running:" Oldsmobile Delta 88, 98, Toronado and Cutlass Ciera; Buick LeSabre, Electra, Riviera and Century; and Cadillac Deville and Fleetwood.

The bulletin cited fuel and throttle problems or failures of electronic idle components. The center said that all the cars have power steering and power brakes, making them difficult to stop or steer when the engine stalls.

The center said motorists have described severe "back-order" problems for the service kits and waits of up to five months for parts. A Maryland dealer repurchased a 1986 Buick Century from a customer after it had been in the shop six times for a total of 43 days for stalling, the center said.

The center said the problem continues in some 1987 models. It cited a recent accident involving a 1987 Buick LeSabre that stalled on a highway exit ramp, and an instance of a driver losing control because of the loss of power brakes and steering.

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE
Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

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TEXAS
Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS
Auctions Unlimited, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

WASHINGTON
So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN
Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

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Dodge Daytona Shelby joins cars going to Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Chrysler Motors has added the Dodge Daytona Shelby Z sports car to the list of models it will sell in Europe beginning early next year.

In addition, the U.S. automaker is expected to announce within the next several days the formation of a European sales headquarters to be located in the Frankfurt area.

Chrysler officially disclosed its return to the European market at the Geneva auto show last March and is expected to offer further details at the Frankfurt show next week.

The company said previously it would sell the Chrysler LeBaron Turbo coupe and convertible, Dodge Lancer ES and Shadow ES and Plymouth Voyager minivan, and it held out the possibility of adding the Daytona to its line.

A Chrysler spokesman last week confirmed that the turbocharged sports car will be marketed in Europe. It will be called the Chrysler GS Turbo II.

The Daytona has reportedly been well received during European market tests in recent months. Pricing has not been settled, but Chrysler is expected to position the Daytona beneath the low end of the Porsche spectrum. It could fit between the Volkswagen Scirocco and Porsche 924, challenging the likes of Mazda's RX-7 and VW's forthcoming Golf-based Corrado sport coupe.

Chrysler has decided on Frankfurt as the base of operations for its new European sales effort. Staffing for the new office is expected to be announced at or before the auto show, along with the completion of some agreements with independent distributors.

Chrysler apparently has not reached a European distribution deal with either Fiat or Renault. Renault distribution of Chrysler products was suggested after Chrysler agreed earlier this year to buy American Motors. However, nothing has developed.

Renault currently distributes Jeep in Europe, and Chrysler Motors Vice Chairman Bennett Bidwell said recently in Detroit that the situation is unlikely to change soon.

"I think Renault will stay on," he said. "I would think that over time we would build . . . an independent distribution system. But that will take a while."

A Chrysler spokesman said the company is finalizing agreements with independent distributors. At Geneva, Michael Hammes, vice president — international operations, said the automaker had two distributors under contract and three others nearly signed.

The spokesman last week said a distribution contract has been signed for Switzerland. One country for which an agreement has not been finalized is West Germany, which Chrysler expects to be its key market.

In France, there has been talk that Chrysler may link with the French import firm Sonauto, whose contract with the Spanish carmaker Seat recently expired. Sonauto is an affiliate of Porsche A.G.

Once a distribution system is in place, Chrysler expects to have a European network of about 500 dealers.

Sales will start in West Germany, Austria, Switzerland, the Netherlands, Belgium and Luxembourg. France will be added as cars are converted for leaded fuel and Spain, Italy and the Scandinavian countries are expected to be added several months after the first launches.

The initial sales target is about 5,000 units for the first year, though Chrysler is reportedly pushing for volume of 50,000-100,000 by the mid 1990s.

Among the featured attractions at the Frankfurt show will be Chrysler Corp. Chairman Lee Iacocca, who will herald the company's return to Europe after a nine-year absence.

The Chrysler boss and executive vice president Robert Lutz will conduct a press conference at the Frankfurt stock exchange. Iacocca is also expected to meet with West German Chancellor Helmut Kohl, among others, during a luncheon with the management board of the Deutsche Bank.

The U.S. automaker's other showcase at Frankfurt will be a Chrysler-designed concept car based on the Lamborghini Jalpa. The show car could preview plans for a new U.S.-bound collaborative effort in 1990.

NADA

FROM PAGE 3

turn franchise does contain a provision for binding arbitration similar to Chrysler's," McCarthy said. "We have had several meetings objecting to the provision. Saturn has not made a final decision."

McCarthy said some import franchise agreements, such as the Mazda sales contract, also concern NADA.

"They don't go quite as far as Chrysler, but they do create some concern regarding arbitration provisions," he said.

"Under this agreement, dealers would be precluded from pursuing rights and remedies under state law before motor-vehicle boards or court systems," the NADA legal analysis said.

In a prepared statement, Chrysler said it "feels binding arbitration of disputes between our dealers and Chrysler Motors Corp. is by far the most equitable and cost-effective method of settling disagreements. And many of our dealers agree."

"By NADA's own survey," Chrysler said, "Chrysler has the best relationship with dealers in the domestic industry. We feel that says something about our judgment in writing the new agreement."

In a telegram sent to Chrysler Corp. Chairman Lee Iacocca and Chrysler Motors Chairman Gerald Greenwald, McCarthy and NADA President James T. Caplinger said, "NADA opposes mandatory binding arbitration because it bypasses the very systems established to resolve franchise disputes and clearly contradicts the laws of not less than 13 states.

"At the worst," the telegram said, "binding arbitration offers no assurance either that dealers' substantive rights under state law will be properly enforced or that prior board or court decisions will be followed."

NADA described the state franchise laws enacted over the last three decades as "an effort to equalize the tremendous difference in economic power between the two parties to the franchise agreement."

NADA said it supports voluntary, non-binding arbitration and is notifying its members of the "risks" in the Jeep-Eagle agreement. It is not asking dealers to refrain from signing the agreement.

"The NADA accusation that our new franchise agreement is illegal in at least 13 states is incorrect," Chrysler said.

"We passed our new agreement through a battery of very knowledgeable attorneys before we presented it to our dealers. The arbitration provision is covered under the federal arbitration act," Chrysler said.

Chrysler is currently re-franchising former American Motors dealers as Jeep-Eagle dealers following its acquisition of AMC.

Chrysler Motors Vice Chairman Bennett Bidwell said earlier this month that the company expected to complete signing of the new sales agreements within 90 days.

The NADA analysis of the Jeep-Eagle agreement said the contract contains "several unique termination provisions."

"If a dealer has more than one agreement, the termination or notification of termination of one agreement will result in the termination of the second agreement," the NADA review said.

"If the Eagle agreement is terminated, the Jeep agreement will also terminate even if there are not independent grounds for terminating the Jeep agreement."

The new agreement also provides that if a dealer negotiates to sell the dealership's assets, Chrysler has the right of first refusal to purchase the dealership.

"Unlike other agreements, dealers are not given an opportunity to withdraw the entire sale once (the company) indicates that it is going to exercise its purchase option," the NADA review said.

NADA said a unique feature of the agreement is a requirement that all dealers be members of the dealer advertising association.

The agreement also addresses lemon-law notification.

A dealer must notify the company when a vehicle has been in for repairs one-half the number of times required to trigger repurchasing or replacement provisions under state law or whenever a vehicle has been out of service for one-half of the number of days required to trigger any repurchase or replacement provision.

If a dealer fails to notify the company, the dealer will be required to buy back the vehicle or provide a replacement vehicle.

"This may not be objectionable," the NADA review said. "But it does present a new area of potential liability for a dealer who does not effectively monitor its service operations."

NADA said the agreement also follows an industry trend by requiring dealers to notify a customer in writing any time that a modification, equipment, accessory or part is installed or used that is not supplied by the manufacturer and is not included in the manufacturer's warranty.

Crash data criticized

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety has criticized NHTSA for its failure to identify cars equipped with driver-side air bags or passive belts when they are crashed at 35 mph into a barrier.

The crashes are done under the agency's experimental program to allow purchasers to compare occupant protection among new cars.

For instance, the consumer group said that the average person would not know that the 1987 Mercury Topaz has a driver air bag. Neither would they know that the 1987 Ford Escort and 1987 Mitsubishi Starion had motorized automatic belts.

Automakers must produce 10 percent of their 1987 cars equipped with passive restraints.

CAS said that those with passive restraints offer better occupant protection, citing NHTSA data on head injury criteria.

In doing the comparison, the group noted if the car had sheet metal changes, its model year and whether it is a two-door or four-door model.

The center says air bags probably protect heads better than any type of belt, and that passive restraints provide superior protection because they are most likely to be used.

However, it should be noted that in NHTSA's New Car Assessment Program, the dummies used get maximum protection. They are always properly and tightly belted — in contrast to the public-at-large — and all cars are new.

DOMESTIC SALES

	Aug. 11-20, 1987	Aug. 11-20, 1986
Eagle	565†	1,400†
Chrysler	10,830	9,336
Plymouth	6,487	9,083
Dodge	8,318	12,969
Chrysler Motors	26,200	32,788
Ford	45,853	36,306
Mercury	16,295	13,678
Lincoln	4,759	3,951
Ford Motor Co.	66,907	53,935
Buick	20,150	18,108
Cadillac	10,840	6,817
Chevrolet	46,688	37,535
Oldsmobile	28,063	26,163
Pontiac	21,146	18,540
General Motors	126,887	107,163
Volkswagen	1,594	2,242
Honda	7,563	4,154
Nissan	5,527	14
Toyota	1,188	0
U.S. Industry Total	235,866	200,296

†—Estimate

Incentive plans hike mid-month sales 17.7%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-August domestic-car sales surged ahead 17.76 percent over the same period a year ago. Cash rebates and financing incentives boosted Aug. 11-20 sales 38.43 percent above those in the first 10 days in August this year.

Sales totaled 235,866 cars compared with 200,296 a year ago. The daily selling rate increased to 26,207 units, up from 22,255 in 1986.

Ford Motor Co. chalked up 10-day sales of 66,907, a gain of 24.05 percent over last year's 53,935.

General Motors sold more cars in mid-August than in any other mid-month period of the 1987 model year. Sales totaled 126,887, up 18.41 percent. Cadillac sold 59.01 percent more cars due to $2,000 rebates on three car lines.

Chrysler Motors' mid-month sales, which include Eagle Division estimates, dropped 20.09 percent to 26,200 compared with the year-ago total. Last year's total includes AMC estimates. However, Chrysler sold more cars in the mid-August period than it did in the first 10-days when it sold 17,568.

Nissan sales grew exponentially to 5,527 cars compared with 14 a year ago when the Tennessee plant had just resumed production. Honda's sales advanced 82.07 percent to 7,563 in the mid-month period. Toyota sold 1,188 U.S.-built cars; last year it did not produce cars in the U.S. Volkswagen sold 1,594 cars, a 28.90 percent drop.

Michigan stamping plant slated for Mazda

IRVINE, Calif. - Mazda (North America) and three Japanese auto parts firms have formed a joint venture to produce metal stampings in Tecumseh, Mich. Beginning in the fall of 1989, the new company will supply stampings to Mazda Motor Manufacturing (USA) Corp.'s assembly plant in Flat Rock, Mich.

The new firm, Lenawee Stamping Corp., will build a $70 million plant employing 360 workers to make a variety of stampings, such as body pillars, side sills and cross members.

Construction of the plant will begin in September, with production scheduled to start in the fall of 1989.

In addition to Mazda (North America), the partners are Miura Kogyo, Ondo Kosahusho and Yamamoto Kozai, all of Hiroshima, Japan. Each of the partners will hold 25 percent of Lenawee Stamping.

All the Japanese firms currently supply stampings to Mazda Motor Corp.'s assembly plants in Japan. Mazda owns one-third of Miura Kogyo.

A spokesman for Mazda (North America) said formation of the new company will result in a change of sourcing for those stampings from Japan to the United States.

According to the companies, Tecumseh was chosen as the location for the plant because of the skilled labor force in the area and the support extended locally and by the state of Michigan.

It was reported that the state will provide $1.3 million in labor training assistance, and Tecumseh has applied for $520,000 in community development block grant funds to make plant-site improvements and to meet infrastructural needs.

A spokesman said the partner companies investigated using U.S. suppliers for the components, but decided in the interest of speed and efficiency to form a joint venture among Japanese firms. He said it was more efficient in this instance to rely on Japanese firms, which have the tooling and technical knowledge to fill Mazda's needs.

PRODUCTION

U.S. CAR	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
AMERICAN MOTORS	0	1,464	0	0	36,991	15,994
Renault Total	0	1,464	0	0	36,991	15,994
Alliance	0	1,464	0	0	33,644	15,994
Encore	0	0	0	0	3,347	0
CHRYSLER MOTORS	19,200	23,615	17,092	65,274	696,919	697,763
Plymouth Total	5,200	8,310	5,096	20,271	272,902	207,562
Horizon	0	3,096	0	0	115,500	32,997
Sundance	1,500	1,090	1,426	5,184	9,339	61,762
Reliant	3,000	2,962	3,048	12,043	105,300	76,427
Caravelle	600	746	622	2,449	30,242	32,468
Gran Fury	100	416	0	595	12,521	3,908
Chrysler Total	7,200	5,860	5,539	21,406	278,086	236,792
Laser	0	0	0	0	27,239	0
LeBaron K	900	850	993	3,856	65,859	47,724
LeBaron J	2,100	0	1,962	4,980	0	75,174
LeBaron GTS	700	1,402	710	2,538	46,099	26,467
N. Yorker E-Class.	1,700	1,255	1,760	6,682	51,203	53,475
N. Yorker C-Class	300	0	114	414	0	414
Fifth Avenue	1,500	2,353	0	2,936	87,686	33,538
Dodge Total	6,800	9,445	6,457	23,597	345,931	253,409
Daytona	1,400	0	1,285	3,336	30,807	37,247
Omni	0	3,099	0	0	111,506	28,363
Shadow	1,600	1,009	1,586	5,654	8,305	63,587
Aries	2,600	2,632	2,621	10,394	82,420	71,566
Dodge 600	500	821	555	2,120	49,326	29,042
Lancer	400	787	410	1,449	36,130	16,550
Diplomat	300	1,097	0	642	27,437	7,054
FORD MOTOR	27,974	38,946	24,202	99,658	1,196,588	1,217,058
Ford Division	19,621	26,714	17,006	70,764	817,933	863,998
Escort	7,062	7,772	5,987	25,849	259,178	246,459
Mustang	4,636	3,785	3,429	13,612	128,445	140,242
Tempo	0	3,896	0	0	133,145	99,830
Taurus	5,679	9,248	6,692	25,129	192,688	273,126
Thunderbird	2,244	2,013	898	6,174	104,477	104,341
L-M Division	8,353	12,232	7,196	28,894	378,655	353,060
Mercury Total	4,197	9,032	3,017	12,979	262,882	234,146
Lynx	0	1,471	0	2	44,101	21,352
Capri	0	755	0	0	12,381	0
Topaz	0	937	0	0	39,550	32,858
Cougar	2,251	2,960	682	4,926	86,941	92,583
Sable	1,946	2,909	2,335	8,049	79,909	87,353
Lincoln Total	4,156	3,200	4,179	15,915	115,773	118,914
Continental	0	324	0	0	12,891	9,610
Lincoln	3,462	2,401	3,483	13,262	86,834	91,184
Mark VII	694	475	696	2,653	16,048	18,120
GENERAL MOTORS	69,939	63,254	49,984	166,105	2,812,780	2,290,871
Buick Total	13,997	12,725	11,808	35,449	520,592	369,837
Skyhawk	1,095	1,546	998	2,827	58,046	19,278
Century	3,359	3,302	3,188	10,268	160,132	113,493
Regal (rwd)	625	1,276	601	1,236	42,028	30,436
Somerset/Skylark	2,087	1,891	1,567	3,954	74,549	41,026
LeSabre (fwd)	4,780	4,459	4,000	10,743	99,887	91,436
LeSabre (rwd)	130	251	108	441	10,361	6,142
Electra (fwd)	1,921	0	1,346	5,980	56,102	59,525
Riviera	0	0	0	0	19,487	8,501
Cadillac Total	5,114	5,824	2,798	11,100	220,187	174,014
Cimarron	182	457	66	253	16,968	7,742
Allante	0	0	329	629	0	3,441
Brougham (rwd)	1,800	2,232	1,559	6,242	57,917	45,028
DeVille (fwd)	3,132	3,135	844	3,976	109,712	94,549
Eldorado	0	0	0	0	18,513	10,534
Seville	0	0	0	0	17,077	12,720
Chevrolet Total	28,009	22,205	20,216	72,910	855,954	894,571
Chevette	0	2,584	0	0	66,069	0
Camaro	4,516	3,220	3,794	12,945	121,519	83,161
Cavalier	3,305	8,035	1,038	4,343	271,001	209,194
Celebrity	4,035	0	3,912	7,947	162,723	200,431
Corsica/Beretta	11,718	0	7,373	34,954	0	213,793
Monte Carlo	1,728	3,024	1,636	3,364	80,001	45,391
Chevrolet	2,705	4,695	2,260	9,154	137,048	124,315
Corvette	0	647	203	203	17,593	18,286
Oldsmobile Total	10,392	11,527	5,161	21,782	693,110	413,548
Firenza	465	744	426	1,195	25,917	3,214
Calais	2,593	2,027	1,980	4,934	79,221	74,481
Cutlass Ciera	0	1,773	0	0	174,704	99,968
Cutlass Supreme	1,667	921	1,621	4,777	88,342	50,315
88 (fwd)	1,844	3,527	858	4,459	222,362	111,907
88 (rwd)	0	338	0	0	13,031	10,656
Olds 98	3,823	2,197	276	6,417	75,488	44,286
Toronado	0	0	0	0	14,045	10,127
Pontiac Total	12,427	10,973	10,001	24,864	522,937	438,901
Acadian*	0	377	0	0	10,317	0
Fiero	0	91	0	0	46,407	20,689
1000	0	778	0	0	13,409	0
Firebird	1,785	1,901	1,842	5,754	75,083	54,649
2000 Sunbird	577	3,388	0	577	91,371	60,872
Grand Am	4,800	4,253	4,789	9,589	146,856	159,165
6000	2,361	0	1,350	3,711	97,065	52,400
Bonneville	2,544	0	1,901	4,445	0	84,391
Safari/Parisienne	360	185	119	788	42,429	6,735
HONDA	5,000	5,465	5,496	23,741	137,858	219,771
Civic	492	0	1,571	6,518	0	71,648
Accord	4,508	5,465	3,925	17,223	137,858	148,123
NISSAN	2,600	1,151	2,604	10,334	24,065	87,731
NUMMI	3,400	3,350	3,908	15,362	135,532	132,390
Corolla	700	0	882	3,362	0	27,870
Nova	2,700	3,350	3,026	12,000	135,532	104,520
VOLKSWAGEN	0	2,008	0	0	54,354	43,129
Golf/GTI	0	2,008	0	0	54,354	34,775
Jetta	0	0	0	0	0	8,354
Total Cars, U.S.	128,113	139,253	103,286	380,474	5,295,087	4,704,707
Total Cars, Canada	11,100	14,234	6,971	23,187	691,373	493,261
U.S., Canada Cars	139,213	153,487	110,257	403,661	5,986,460	5,197,968
U.S., Canada Trks.	74,836	79,194	77,377	303,977	2,952,197	3,021,814
U.S., Canada Cars and Trucks	214,049	232,681	187,634	707,638	8,938,657	8,219,782

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

U.S. car output on steady climb

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production continues to increase as plants resume production after being idle for model changeover.

Last week's targeted output of 128,113 cars was the highest in almost two months. The week's estimate was 24.04 percent more than the previous week's 103,286 but 8.00 percent below the year-ago week's 139,253.

So far this year, 4,704,707 cars have been assembled, 11.15 percent below the 5,295,087 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 54.59 percent; Ford Motor Co., 21.84 percent; Chrysler Motors, 14.99 percent; Honda of America Manufacturing Inc., 3.90 percent; New United Motor Manufacturing Inc., 2.65 percent; and Nissan Motor Manufacturing Co. U.S.A., 2.03 percent.

Volkswagen of America's Westmoreland, Pa., plant remains idle for model changeover. The plant is scheduled to resume output Sept. 21. It had been slated to return Sept. 14, but production was delayed a week because of the VW strike in Mexico. The strike was settled last week.

GM announced a three-week extension of the second shift at its Buick City plant in Flint, Mich. The shift was originally scheduled to be dropped Sept. 17. A GM spokesperson said the extension is due to an increase in dealer orders for the 1988 LeSabre.

GM's Corvette plant in Bowling Green, Ky., and its Fiero plant in Pontiac, Mich., are closed until Sept. 8 because of a parts shortage.

The Cadillac Allante line at the Detroit-Hamtramck plant was idle last week for model changeover. Output is scheduled to resume Wednesday.

Three GM plants remain closed for model changeover. They are: Arlington, Texas; Framingham, Mass.; and Doraville, Ga.

Ford's Kansas City, Mo., plant is expected to resume operations today. The plant has been idle for model changeover.

Daily overtime is slated this week for Ford's Dearborn, Mich., and Wixom, Mich., plants.

Big 3 built 18,118 cars in Mexico

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Automotive News this week begins reporting monthly production figures for the U.S. Big 3 automakers building cars in Mexico.

The three automakers built 18,118 cars in Mexico in July. The year-ago July total was not available, but the July total was depressed from the usual rate because a strike against Ford reduced output.

General Motors, which produces the Chevrolet Celebrity for export to the United States, plus Oldsmobile Cutlass Ciera and Buick Century models for the Mexican market, built 5,195 cars during July. That compares with 1,367 assembled during the year-ago month.

By the end of July, GM had built 20,749 cars this year in Mexico, more than double the 9,838 assembled during the first seven months of 1986.

Ford Motor Co. reported 4,223 Mexico-built cars. Of that total, 3,368 were Tracers — built in Hermosillo, which was strike-free. The remaining 855 units were Topaz, Thunderbird, and Cougar models, which are sold exclusively in Mexico. The plant that assembles those three models was idled for most of July by the strike. Ford's year-ago numbers were not available at presstime.

Chrysler Motors assembled 8,700 K-cars in Mexico last month, 49.23 percent more than the 5,830 assembled in July 1986. It exports the Aries and Reliant models to the United States.

Chrysler's year-to-date total at the end of July was 43,784 cars, up 54.94 percent from the year-ago period's 28,259.

MEXICAN CAR
Big 3 Production

	July 1987	July 1986
MEXICO	18,118	N.A.
GM	5,195	1,367
Ford	4,223	N.A.
Chrysler	8,700	5,830

CANADIAN CAR	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
CHRYSLER	100	120	108	424	2,627	3,617
FORD MOTOR	4,424	9,881	2,662	10,625	346,508	300,181
GENERAL MOTORS	5,981	4,008	3,784	10,318	335,562	173,536
HONDA	370	0	417	1,595	0	9,283
VOLVO	225	225	0	225	6,676	6,642
Total Cars, Canada	11,100	14,234	6,971	23,187	691,373	493,261
U.S. TRUCK☆	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
CHEVROLET	10,557	19,845	15,426	62,392	791,394	752,127
DODGE	7,500	4,202	7,469	28,631	66,689	174,451
FORD	25,818	28,116	21,211	99,186	953,392	966,656
GMC	5,915	5,422	6,314	24,194	242,437	253,909
NAVISTAR	1,409	1,286	1,647	6,360	47,741	48,040
JEEP	4,500	4,059	4,507	9,200	119,801	146,144
NISSAN	2,133	1,939	2,112	8,415	80,906	56,315
AM GENERAL*	450	50	450	1,800	1,712	9,810
MISCELLANEOUS*	2,300	2,300	2,300	9,200	77,740	77,900
Total Trucks, U.S.	60,582	67,219	61,436	249,378	2,381,612	2,485,352
CANADIAN TRUCK	Week Ended Aug. 29, 1987	Week Ended Aug. 30, 1986	Week Ended Aug. 22, 1987	Aug. Est.	Jan. 1 to Aug. 30, 1986	Jan. 1 to Aug. 29, 1987
JEEP	750	757	930	3,234	18,399	22,100
CHRYSLER	6,228	7,528	6,671	25,567	264,911	266,255
FORD	951	3,579	3,388	10,459	108,722	97,209
GENERAL MOTORS	6,100	0	4,723	14,479	172,031	144,720
NAVISTAR	225	111	229	860	6,322	6,178
Total Trks., Canada	14,254	11,975	15,941	54,599	570,385	536,462
U.S., Canada Trks.	74,836	79,194	77,377	303,977	2,952,197	3,021,814

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. makers keep trucks steady for week

U.S. truckmakers scheduled production of 60,582 units last week, 1.39 percent below the previous week's 61,436 and 9.87 percent below the year-ago week's 67,219.

Year-to-date, 2,485,352 trucks have been assembled, 4.35 percent more than the 2,381,812 completed last year at this time.

Two weeks ago, Chrysler Motors reported that its Jeep plant in Toledo, Ohio, was closed for vacation; however, the plant was operating. This week's production figures reflects the adjustments in the Jeep totals.

General Motors' Janesville, Wis., plant remains down for model changeover. Production is scheduled to resume Sept. 8.

Ford Motor Co.'s Louisville, Ky., plant is slated for daily overtime this week.

Canadian cars take 60% leap

Last week's scheduled Canadian car production was nearly 60 percent higher than the prior week's build when several plants were idle for vacation.

Automakers targeted 11,100 cars last week, 59.23 percent more than the previous week's 6,971, but 22.02 percent below the year-ago week's 14,234.

So far this year, 493,261 cars have been assembled, 28.64 percent below the 691,373 completed last year at this point.

Scheduled truck production of 14,254 units last week was 10.58 percent below the prior week's 15,941 but 19.03 percent more than the year-ago week's 11,975.

Year-to-date, 536,462 trucks have been built, 5.95 percent below the 570,385 assembled last year at this time.

AM General awarded pact for 1,114 Hummers

DALLAS — AM General Division of LTV Missiles and Electronics Group has received a $33.6 million contract to produce 1,114 Hummer High Mobility Multipurpose Wheeled Vehicles for GTE Tactical Systems Division.

GTE will equip the vehicles with communications systems.

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Tent sales fuel un-civil war in South

Toyota warriors clash at state line

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Dealers from Mid-Atlantic Toyota Distributors Inc. peered out from their tent — down Battlefield Boulevard and across the Virginia border into North Carolina — and spied the enemy. It was Southeast Toyota Distributors Inc.

Near the sleepy hamlet of Moyock, N.C., the two independent Toyota distributors waged a fierce battle during the last four days of August with each side firing salvos at the other. And in the end, both claimed decisive victories.

"I think we won," said Ed Snyder, president of Checkered Flag Inc. in Virginia Beach, Va. "We sold 46 cars, gave out 750 fishing poles and diverted more than a thousand potential customers back into Virginia."

But dealers from Southeast Toyota who held a tent sale a half-mile down the street in North Carolina aren't so sure. They sold roughly 250 cars — claiming more than half were purchased by residents of neighboring Virginia, which is just outside the company's five-state distribution area.

A Southeast Toyota spokesman characterized the 1,000-car North Carolina tent sale as a huge success, saying the company will continue to plan special promotions at state lines to lure customers away from dealerships in other distribution areas.

see TOYOTA, page 6

AUTOMOTIVE NEWS JOE WILSSENS

Bieber: contract at Ford should be an "industry contract"

UAW counts on Ford to set 1987 pattern

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

In choosing Ford Motor Co. as its strike target, some say the UAW has decided it's time to recover the many concessions made since 1982.

In bargaining first with the most profitable automaker, the union apparently believes it needn't give up anything to gain job security — at least at Ford.

The union decided against grappling first with problem-ridden General Motors, whose aim of divesting itself of unprofitable operations would probably have involved more "takeaways" from the union in exchange for job security.

Joe Wilson, president of UAW Local 15, which represents the Buick-Oldsmobile-Cadillac Group's Fleetwood plant in Detroit that is scheduled to close at the end of the year, said that the improved contract the union will get at Ford will strengthen its hand with GM.

But Wilson said the union

see UAW, page 50

Problems mount; Subaru slashes import schedule

By John A. Russell and Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTERS

Subaru of America, beset by its first financial loss in more than 12 years and prospects of red ink for the entire fiscal year, is reducing its import schedule by 12,000 cars this fall in an effort to sell off a 70,000-car backlog.

That huge stockpile — as of last week, 46,000 units in distributor and dealer lots and 24,000 parked at U.S. ports awaiting shipment by Subaru of America — amounts to a 103-day supply based on the August selling rate, the highest of any Japanese importer.

Meanwhile, in Japan, the losses and other problems at Subaru of America are proving a major setback to its supplier and principal stockholder, Fuji Heavy Industries of Japan.

Koji Endo, auto analyst with Nomura Securities in Tokyo, even speculated last week about whether Fuji can survive what he called "these car wars" in the United States in the long run.

Thomas Gibson, president of Subaru of America, said the reduced shipments mean that the only 1988 models imported this fall will be those currently in short supply — the Justy, hatchback, XT and several other lower-priced models.

Monthly shipments from Fuji to Subaru will be reduced by 4,000 units to 12,000 units in October, November and December. The plan is that shipments in the following three months will be increased by 4,000 units per month.

Gibson flatly denied reports that Subaru would ask Fuji to cut production and lower its quota. "We're aiming to hit the MITI quota," he said. "We will sell our way out of it."

The deterioration in Subaru of America's performance comes, ironically, at a time when it is trying to buy out its remaining independent U.S. distributors. That action has attracted legal charges from some of those distributors, who claim Subaru is forcing them out of business by dumping unwanted cars on them.

The quota established by Japan's Ministry of International Trade and Industry falls under the voluntary restraint system of exports of automobiles from Japan to the United States. Each manufacturer has a quota of cars it can export. In Fuji's case, Gibson said it is between 190,000 and 195,000 cars.

He said the current inventory mix is 30 percent lower-priced cars (those under $10,000) and 70 percent upper-priced models (those over $10,000).

The import reduction by Subaru closely follows the announcement of a third-quarter loss of $4[illegible]8 million. The loss for the first nine months of its fiscal year was $15.1 million.

see SUBARU, page 51

FRANKFURT

German roadsters bow; they're headed for U.S.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

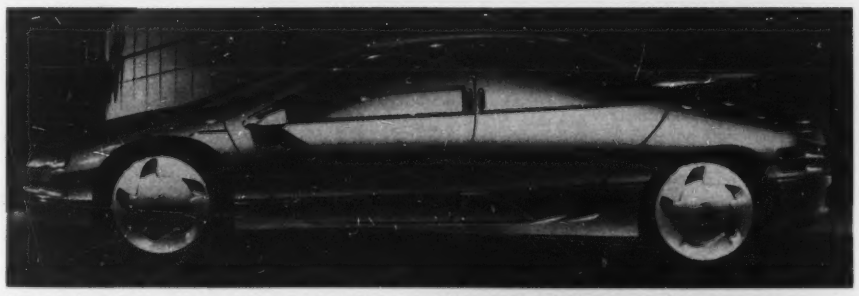
FRANKFURT, West Germany — A group of hot, new German roadsters, each aimed squarely at the American market, will debut this week at the Frankfurt auto show.

BMW, Porsche, Bitter and Treser will present sports convertible prototypes or scale models here.

Also debuting at Frankfurt this week are the Ferrari F-40, a limited-edition supercar, and BMW's 3-series-based Touring station wagons. Panther Car Co. will show a heavily revised Solo.

The Portofino, a mid-engined Chrysler concept car powered by Lamborghini, could preview a renewed Lamborghini Jalpa two-seater in 1990.

Ford is showing its HFX Ghia Aerostar, a $7 million concept vehicle developed with the comp[illegible]



Chrysler Portofino, based on the Lamborghini Jalpa, will be unveiled in Frankfurt by Lee Iacocca

March, the new Opel Senator and the Alfa Romeo 164, also will make their international debuts here.

But not everything expected to be here a few months ago will be shown. The new Mercedes SL roadster, Audi's 300 V-8, Volkswagen's Taifun/Corrado coupe and new Passat and the new BMW 5 series will all be absent, barring last-minute surprises.

The show has other attractions. Edzard Reuter, who took over as the new chairman of Daimler-Benz last week, is expected to make his first public appearance as chairman.

[illegible] Chairman Lee Iacocca will be on

see FRANKFURT, page 52

ASC's Frankfurt offering is a convertible Seat Ibiza

Import stores top domestics for first time

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

For the first time in the four decades that imported cars have been a factor in the United States, there are now more dealerships selling foreign-built cars than domestic-built cars.

On July 1, a record 23,984 dealerships were selling imported cars in the United States, and 20,331 were selling domestic cars. Most domestic dealers now handle captive makes imported by their domestic factories.

There were 4,927 dealerships selling just imports, and 19,657 dealerships selling both domestic and import makes.

In fact, Automotive News now estimates that by the end of the year, there will be fewer than 1,200 new-car dealerships that do not

see CENSUS, page 51

Labor unrest continues in Korea — Page 2

Discarded dealers battle Volvo GM — Page 3

August sales increase slightly — Page 54

First Mazda rolls at Flat Rock
The first 1988 Mazda MX-6 GT sport coupe was assembled at Mazda Motor Manufacturing (USA) Corp.'s new $550 million plant in Flat Rock, Mich., last week. The 2.7-million-square-foot plant has a capacity of 240,000 units annually. It is Mazda's first full-scale manufacturing facility outside Japan. The plant will begin building the Ford Probe next spring.

L-M de-emphasizes Merkur name

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In a change of advertising strategy, Lincoln-Mercury Division will attempt to sell its Merkur products without referring to them as Merkurs.

The badge, which has had trouble capturing shoppers' enthusiasm, will no longer be used in L-M's national advertising for the West German imports, a spokesman said. Merkur will still appear on dealer signs, promotional materials, local advertising and the cars themselves.

The division is making the move so it can focus more attention on the individual Merkur products, the XR4Ti sport coupe and the Scorpio luxury sedan, said the spokesman. With the debut of the Scorpio in May, there are two cars in the Merkur franchise for the first time.

Until then, Merkur had been largely synonymous with the XR4Ti. The car, which was introduced in 1985, never met L-M's expectations. And so far this year sales are down 42 percent from last year's levels.

The Merkur name, meanwhile, has been the target of second-guessers who find the word difficult to pronounce and easy to forget. Merkur means Mercury in German.

"I wouldn't shed a tear if we started calling it a Ford product that was manufactured in Germany," said one dealer.

L-M officials have defended the name while conceding that they've learned some lessons from the XR4Ti launch. Some were applied to last May's introduction of the Scorpio, and so far the car is doing well.

In just over three months, Merkur dealers have sold more than 3,500 Scorpios. L-M had predicted sales would be in the 5,000 to 7,000 range by the end of the year.

"We have realized that it takes a lot longer than we expected to establish the name for a franchise," the spokesman said. "We also believe that the Merkur name will be helped by the addition of the Scorpio to the franchise."

Discarded dealers battle Volvo GM

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Volvo GM Heavy Truck Corp. has unleashed a torrent of bitterness and legal action by many Volvo White and GMC dealers slated to lose their heavy-truck franchises Dec. 31.

The rancor even includes some dealers who are being retained, but feel the new company has done a poor job of carving up its franchise territories.

Volvo GM Heavy Truck will begin operation Jan. 1, with about 250 out of 550 previous franchise holders.

Among those being canceled are some of Volvo White's oldest, strongest-performing and most loyal dealers.

"We probably got as good a screwing as anybody on the planet," said Benjamin Lucas, a principal in Lucas Truck Sales in Charlotte, N.C., who plans a court fight for his franchise. He lost out to a local GMC/Peterbilt dealer.

Lucas was Volvo White's largest dealership in 1981, 1984 and 1985; and, according to Lucas, "possibly their largest privately owned dealership (excluding factory branches) since 1981."

"We were assured from the beginning, from the lowest guy (at Volvo) to the top guy, we'd be the dealer" in the Charlotte market, Lucas said. "After months of negotiations, without any negatives thrown at us, they sent in two guys who had never been involved before and dropped a one-page form letter on the desk, with absolutely no reason for the cancellation."

In Las Vegas, Nev., Ivan B. Cannon recited a litany of turmoil he survived in the heavy-truck business over the past 10 years, including White's divorce from Freightliner, its subsequent bankruptcy and its purchase by Volvo.

"I survived everything — except this," Cannon lamented, adding that his Vegas Truck Center is losing its franchise to Desert GMC.

"I delivered White a far higher share of market in my AOR (franchise territory) than they ever had nationally," Cannon said, claiming a 23 percent Class 8 share in his area based on first-half orders this year and registrations for competitors.

"I've also given them the largest share of the parts business that any OEM gets in my area," he said. "I built and equipped and staffed the largest and most modern Class 8 facility in Southern Nevada. We took on White when they were dead last, and now they're in the best position of anyone in this area, except (market leader) Harvester."

Cannon said he plans to appeal to the Nevada Department of Motor Vehicles in a hearing scheduled for Oct. 3.

Larry Carter, owner of Desert GMC, Las Vegas, and GMC line representative for the Natonal Automobile Dealers Association's American Truck Dealers Division, said he feels Volvo GM made a "fair decision" in 95 percent of cases, that it "probably chose what were the best dealers in the area in most cases," and that it is all simply a "survival of the fittest."

Said Carter, "We wanted fewer dealers. How do you protect the dealer who's been canceled?"

But another dealer countered

see VOLVO GM, page 50

Chrysler seeks content requirement for subzone vehicles

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Chrysler Corp. has asked the Department of Commerce to impose domestic-content requirements on all users of foreign trade subzones. Chrysler took the action despite the fact that it operates seven subzones covering automobile assembly and automotive electronic plants in the United States.

Robert A. Perkins, Chrysler vice president of Washington affairs, made the request Aug. 28 in a letter to Commerce officials.

Every auto assembly plant in the United States is either covered by a foreign trade subzone or has an application pending. Subzones have the effect of reducing tariffs paid on imported vehicle parts.

Diamond-Star Motors, a joint venture between Chrysler Motors and Mitsubishi Motors Corp., has also applied for a foreign trade subzone. Perkins said Chrysler supports Diamond-Star's application, but added, "We would expect to follow any new policies or standards the (Commerce Department) establishes for trade zones, including those in which Chrysler has an interest."

"It has become obvious to Chrysler that we and other domestic manufacturers are being and will continue to be placed at a competitive disadvantage vis-a-vis foreign transplants unless some changes are made in the criteria for operating subzones," Perkins said.

He said Chrysler suggests "implementing a public interest evaluation program for foreign trade zones and establishing simple domestic-content criteria for the operation of existing and future foreign trade zones."

The letter was filed as part of the public record on the application of Toyota Motor Manufacturing, U.S.A., for a foreign trade subzone in Georgetown, Ky., where Toyota is building an assembly plant. The Commerce Department's Foreign Trade Zones Board is expected to rule on Toyota's application this fall.

Perkins said an Aug. 12 public hearing on Toyota's subzone application provided strong evidence that if the application is approved, Toyota will enjoy a significant per-vehicle cost advantage over Chrysler and other domestic manufacturers.

"Chrysler Motors estimates the benefit of its foreign trade zone operations to be worth $5 per vehicle, on average, for vehicles produced in subzones," Perkins said. "By comparison, Toyota states its benefit will be in the $30 to $40 range.

"If the Toyota application is granted," he said, "Toyota will be rewarded for its high imported content vis-a-vis Chrysler and other North American-based manufacturers, whose high-levels of North American content have contributed to employment not only at its own North American plants, but to the large North American parts industry, which supplies our assembly plants."

The letter said, "Chrysler urges the Foreign Trade Zones Board to consider requiring a minimum domestic content requirement for all vehicles shipped from a subzone.

"Such a limit would have a positive influence on creating domestic jobs and prevent a company from making hollow promises of domestic content while controlling within their corporate structures the definition of 'domestic content' to fit their own ends."

Perkins suggested that the U.S. government adopt as simple a domestic-content definition as possible, perhaps limiting it to the actual value of domestically produced parts and components.

Toyota has made conflicting claims about the amount of U.S. content in cars that will be assembled in Kentucky, Perkins said.

He said that although Toyota officials have told the U.S. government the vehicles will contain 60 percent U.S. content, a recent Japanese press report quoted a Toyota official as saying, "We have not calculated the ratio of auto parts we will procure from U.S. makers alone to all car components used at the Georgetown plant."

The Toyota official said that the 60 percent domestic-content figure applies only to those components the company does not make itself, such as tires and headlamps.

Perkins said, "These kinds of conflicting statements, when added to the uncertainty of whether other transplant manufacturers have or will accomplish a true high domestic content in subzones, cause Chrysler to make these comments."

In another action last week, Chrysler applied for foreign-trade-subzone status for five parts plants in the Detroit area.

Chrysler said the plants employ approximately 4,800 workers.

In its application, Chrysler claimed that tariffs on components imported for use at the parts plants are as high as 11 percent. Foreign trade subzone status would drop the tariffs to 2.5 percent when the parts are used on automobiles sold in the United States.

GM wants trade subzone status for Michigan luxury-car plants

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors has applied for foreign trade subzones covering its Detroit-Hamtramck and Orion Township, Mich., plants.

GM's Detroit-Hamtramck plant assembles the Cadillac Eldorado, Seville and Allante, the Buick Riviera and the Oldsmobile Toronado. Orion Township builds the Cadillac DeVille and the Oldsmobile 98. Employment is 4,900 at Detroit-Hamtramck and 7,000 at Orion Township.

GM said both plants import about 2 percent of their parts and components. The foreign items include radios and cassette players, wiring harnesses, instrument panel pads and steering wheels, according to the application. The Allante body is imported; it is made by Pininfarina of Italy.

Subzone status would allow GM to defer duty payments on the imported items until they are shipped from the factory, either individually or as part of a finished vehicle. Imported components that are used for vehicle assembly will be subject to a tariff of 2.5 percent rather than the average duty rate of 4.3 percent on foreign parts. There is no tariff on cars or parts that are exported.

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7-million Chrysler recall sought

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Center for Auto Safety has asked NHTSA to investigate and recall 7 million 1978-87 Chrysler front-wheel-drive vehicles.

Included are vehicles for which Chrysler has issued "driveability kits." The center said the kits usually contain carburetor, fuel line or computer sensor components to overcome engine problems.

The center asked the safety agency to reopen an earlier analysis of engine performance problems in 1978-84 Chrysler fwd cars. NHTSA had found reports of stalling in one out of every 700 cars, and the agency dropped the investigation last December.

The center noted that during an expanded investigation of stalling in Chrysler cars, NHTSA had asked the company to recall two million 1978-82 models for faulty carburetors. Chrysler refused, and NHTSA later closed its investigation.

Since then, the center said, it has received 1,300 complaints of stalling in those vehicles. The center has asked NHTSA to require that Chrysler send defect notification to owners of vehicles that exceed the eight-year statute of limitations for a recall.

In its December 1986 closing memo, NHTSA noted that Chrysler had replaced 4,700 carburetors for a cold stalling problem.

A Chrysler spokesman said that during the NHTSA probe into stalling in 1978-84 Chrysler cars, the incidence of reported stalling was only about one for every 1,000 cars. The investigation was conducted from September 1984 to December 1986.

During that period, Chrysler told NHTSA of 17 reports of accidents allegedly caused by engine stalling.

Chrysler noted that engines sometimes stall because of poor quality fuel, lack of proper maintenance or vehicle misuse. It said its frequency is about the same as for vehicles made by competitors.

The company added that introducing electronic fuel injection on some engines has brought a significant improvement in driveability since the 1983 models and a "marked reduction in complaints."

The center said that all pre-1983 Omni/Horizon cars plus other 1981-82 Chryslers with 2.2-liter engines are covered by a service kit containing aluminum carburetor spacer plates, or "isolators." The original rubber isolators could deteriorate and cause stalling.

The following were cited by the center:

- Fuel foaming and vapor lock: 1981-1985 cars and 1985-1987 Dodge Caravan and Plymouth Voyager.
- Carburetor icing: 1981-1983 cars with 2.2-liter engines and 1984-1987 minivans with 2.6-liter engines.
- Driveability problems: 1981, 1982 and 1983 cars with 2.6-liter engines; all 1984 cars; 1984 minivans with 2.6-liter engines; 1985 cars with 2.2-liter and 2.6-liter (California) engines; all 1985 minivans; 1986 cars with 2.2-liter engines; 1986 minivans with 2.6-liter engines; 1986 minivans with 2.2-liter engines and manual transmissions; 1987 cars with 2.2-liter and 2.5-liter engines; 1987 minivans with 2.6-liter and 3-liter engines; and 1987 minivans with 2.2-liter engines and manual transmissions.

AUCTION DATES

American Motors

Sept. 8 — D-A Auto Auction, New Stanton, Pa.

Sept. 9 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 10 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Wolfe's Evansville Auto Auction, Evansville, Ind.

Sept. 11 — St. Louis Auto Auction, St. Louis

Sept. 15 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Sept. 16 — Columbus Auto Auction, Columbus, Ohio, and Kansas City Auto Auction, Kansas City, Mo.

Sept. 17 — Corry Auto Auction, Corry, Pa.

Sept. 22 — D-A Auto Auction, New Stanton, Pa.

Sept. 23 — Minneapolis Auto Auction, Plymouth, Minn., and Northeast Auto Dealers, Newburgh, N.Y.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Sept. 25 — St. Louis Auto Auction, St. Louis

Sept. 29 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Chrysler Corp.

Sept. 8 — NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 9 — A.D.E. of Alabama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Sept. 10 — Fredericksburg Auto Auction, Fredericksburg, Va., and Aptco Auto Auction, Taylor, Mich.

Sept. 11 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Sept. 9 — Lakeland Auto Auction, Lakeland, Fla.

Sept. 10 — Dallas Auto Auction, Grand Prairie, Texas; Minneapolis Auto Auction, Plymouth, Minn.; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction, Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 16 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

Sept. 17 — 166 Auto Auction, Springfield, Mo.

Sept. 23 — Columbus Fair Auto Auction, Obetz, Ohio, and Lakeland Auto Auction, Lakeland, Fla.

Sept. 24 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Bay Cities Auto Auction, Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Sept. 9 — Indianapolis Auto Auction, Indianapolis

Sept. 15 — Florida Auto Auction of Orlando, Ocoee, Fla., and Harrisonburg Auto Auction, Harrisonburg, Va.

Sept. 16 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Sept. 17 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston, Texas; and Nashville Auto Auction, Nashville, Tenn.

Sept. 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Sept. 23 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern California Auto Auction, Fontana, Calif.; and Indianapolis Auto Auction, Indianapolis

Sept. 24 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Used Car Sales
Auction Averages

Sept. to date	$6,065
Month ago	$6,045
Year ago	$5,234

Model Breakdown
Auction Averages

	SEP 1987	AUG 1987	JUL 1987
1987	$11,632	$11,726	$11,512
1986	$8,900	$8,934	$9,032
1985	$7,375	$7,385	$7,394
1984	$5,758	$5,754	$5,756
1983	$5,004	$5,016	$5,081
1982	$3,644	$3,648	$3,684
1981	$2,621	$2,632	$2,642
1980	$2,062	$2,072	$2,068
Overall Average	$6,065	$6,070	$6,030

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Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 1 PM. Mid-South's newest auto auction.

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AUCTION NEWS

Southwest Auto Auction has broken ground for a new headquarters in Chandler, Ariz.

The facility's 55-acre parcel is expected to be developed by early 1988. Plans call for a 25,000-square-foot building that will house eight auction lanes, general offices and a restaurant. In addition, a separate 15,000-square-foot structure will provide appearance reconditioning services, including a body shop.

Southwest Auto Auction, currently in Phoenix, was acquired by Manheim Auto Auctions, Atlanta, in October 1983.

The recent 2nd annual **Monterey Vintage Sports & Race Car Auction** raised $52,000 for the Children's Services Center of Monterey, Calif. The auction sold $4.4 million worth of cars, with 82 percent of entered cars sold.

Ferrari models brought the top dollar, including: a 1971 Daytona Spyder, $490,000; a 1967 275/365 GTB/4 prototype, $455,000; a 1967 365 GTB/4, $300,000; and a 1967 275 GTB/4 $255,000.

GE Credit Corp. has acquired auto auctions in San Antonio and Fort Worth, Texas. The two auctions had combined sales last year of 50,000 units. GE Credit, headquartered in Stamford, Conn., now owns 13 auctions with anticipated annual sales of 450,000 units. GE Credit has assets in excess of $26 billion.